

Real Short Sale Stories

The following stories describe the personal events that lead a few of the homeowners I have assisted over the years to pursue a short sale.

1. Small business owner with non-paying tenants, unfamiliar with eviction process

A small business owner purchased a rental property. Soon after buying the property, her business income dropped unexpectedly and her tenants stopped paying rent. Being unfamiliar with the eviction process, it took her several months to finally get the tenants out of her property. During the long period without any rental income, she spent all her savings and fell behind on her mortgage payments. Faced with an empty property, no rental income and no savings, a short sale was her best alternative to foreclosure.

2. Financial planner with adjustable rate mortgage

A financial planner purchased a condominium and secured the property with an adjustable rate mortgage. When the interest rate on his mortgage reset, his monthly payment more than doubled. Faced with much lower commissions due to an economic recession, he realized after maxing out his credit cards that he couldn't afford to keep the property and needed to do a short sale.

3. Freelance photographer with recently deceased father

A freelance photographer bought a property for his disabled father. The father's monthly social security check helped pay the mortgage on the property. When the father died and the son no longer had the assistance of his father's social security check, the photographer could no longer afford the mortgage and fell behind on the payments. The photographer tried unsuccessfully to modify his loan and then chose to pursue a short sale to avoid bankruptcy and foreclosure.

4. Self-employed cancer survivor

A self-employed woman without health insurance purchased a condominium and subsequently was diagnosed with breast cancer. The debilitating and expensive cancer treatment forced her to scale back the time she spent at work. Her bills piled up and she fell behind on her mortgage payments. Unable to sell her condo because it was worth less than her mortgage balance, she realized that she needed to do a short sale to get rid of the property and move on with her life.

5. School teacher with tenants from hell

A school teacher with no landlord experience bought a tenant-occupied rental property in a rough area located more than an hour away from his home. The tenants consistently missed rent payments and destroyed his property. Then the tenants had the nerve to report the teacher to the local building department to complain about the damage that they had caused to the apartment in his building. Living so far away from the property, the teacher found it difficult to attend eviction court hearings and meet with contractors to fix the damaged property. Eventually, the man ran out of money, fell behind on his mortgage payments and had no choice but to pursue a short sale on his property.