Short Sales – Leslie answers the tough questions

With short sales so prevalent and so many homeowners under financial distress, Leslie confronts head on the issues, questions and concerns facing so many families through a series of short newsletters.

Questions? Curious about ***short sales?*** Learn about the US Treasury's H.A.F.A. program, designed as a "graceful exit" for homeowners in distress.

Videos at DonNelsonTeam.com

"Vapor" equity…

make payments on ***non-existent*** equity?

That's the $64,000 question! "Vapor equity" is the amount of money a home is "underwater" (negative equity or "in the hole").

Many distressed homeowners are $100,000 underwater. It's not unusual to see homeowners underwater by $250,000 or more.

Homeowners struggling to meet their mortgage payments wrestle with paying money trying to climb out of that hole – just to get back to zero equity.

And they think they could make it if only they could get a loan mod and have reduced payments.

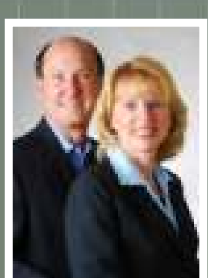
Would a loan mod *REALLY* help permanently?

Consider this –

Even with reduced payments, how many years would it take to get out of the hole and start building some serious equity in your house?

There are no easy or right or wrong answers to these issues, but make your decisions based on sound financial analysis.

Turn the page for a deeper discussion of "vapor equity".



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Curious to learn more about short sales? Please visit us at **www.DonNelsonTeam.com**

Hi,

"Vapor" equity is negative or "under water" equity. Paying money just to climb out of the hole - to get to zero.

Homeowners struggling to meet their mortgage payments wrestle with this dilemma while they confront major conflicting objectives. They want to stay in their home. The kids are in the local school and all their friends are in the neighborhood. Moving is very disruptive and a major hassle.

And they think they could make it if only they could get a loan mod and have a reduced payment.

Consider this - would a loan mod *REALLY* help permanently? Or would it merely be "kicking the can down the road", while still struggling to make those (reduced) monthly payments? Factors to think about:

- Do you want to make years of payments trying to climb out of the hole just to get the loan value "even" with the value of the home?
- How many years after that would it take to start building some serious equity in your house?
- Could you rent a comparable property for less money?
- Could potential monthly savings renting a different home be generated to start building cash reserves, make IRA payments for the future, or do other important things for you and your family that couldn't be done if you stayed in your house and made those (reduced) payments?

There are no easy or right or wrong answers to these issues, but make your decisions based on sound financial analysis – whatever business decision that will best strengthen your financial health.

To learn more, see two short videos about the US Treasury's HAFA short sale program on our website, www.DonNelsonTeam.com.

Questions? Curious about short sales? Give me a call or email me. I'd love to hear your story – and I'm very discreet.

Leslie Nelson

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