



Questions About Today's Real Estate?

Ask Phyllis!

How long is too long to wait for short sale approval?

Dear Phyllis,

After looking for a home all year, in July I finally made an offer on a short sale. The seller signed my offer, but I am still waiting for the approval from the bank. My Realtor® is encouraging me to look at other homes, but I really have my heart set on this one.

How long does it usually take a bank to approve a short sale contract?

Tim

Dear Tim,

I have found that each short sale experience is unique. I have buyers who have been waiting for an approval on short sale since May. Some lenders are more efficient than others, so it depends on the lender. Keep in mind the lender will not necessarily approve every short sale submitted; they may counter your price, reject the short

sale, or simply keep losing paperwork and never give you an answer.

Also if there is a second or third mortgage, expect the process to be longer and less likely to be approved.

Although, I have closed short sales in a little as 30 days, that is not the norm. I have learned that whatever bank you are working with, a skilled and experienced listing agent is certainly

an asset. Your real estate agent should be contacting the seller's agent weekly for status updates.

There is usually a sequence of events. After the bank has the signed purchase contact and the complete "hardship" package from the owner, the bank will order a Broker's Price Opinion (BPO, which is a Realtor's market assessment) and/or an appraisal.

I am glad that your Realtor® is suggesting that you keep your options open by looking at other homes; I think that is wise.

Phyllis Harb is a Realtor with Prudential California Realty.

She may be contacted at (818) 790-7325 or by email AskPhyllis@RealtorHarb.com.