

## What Is a Short Sale?

A short sale occurs when the net proceeds from the sale of a property are insufficient to pay off the first lien

Property value -	\$150,000
Total amount due on first lien	\$178,000
Sales price -	\$148,000 (99% of value)
6% Commission and closing costs	(\$ 13,000) (9% of sales price)
Less funds from homeowner for cc	\$ 1,000
Payment to \$20K lienholder	(\$ 2,000)
Net proceeds -	\$134,000 (90% of value)
Shortage/loss -	<b>(\$44,000)</b>
20% MI Claim (100% of claim)	\$35,600
Shortage/loss	<b>(\$ 8,400)</b>