



# The Match Masters®

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Hablamos Espanol



CERTIFIED DISTRESSED PROPERTY EXPERT®

Dear Homeowner,

Until recently, "The Match Masters®" resisted participating in short sale transactions because of the uncertainty surrounding each transaction. After a great deal of exploration we decided that short sales can be smooth transactions if they are handled in the proper manner. In addition, banks have learned that short sales can serve their best interest instead of foreclosures.

We learned of Distressed Property Institute, LLC®, who are specialist in the training we needed to become experts in short sales. "The Match Masters®" now have the designation CDPE®, Certified Distressed Property Experts. In the Northern Virginia Association of Realtors, which has approximately 8,000 member, less than 200 members hold the CDPE® designation. With this designation we will be able to serve a wider spectrum of homeowners in the same professional manner we provide all of our clients.

The definition of distressed property for the purpose of this letter is:

1. Property that is in poor physical condition
2. Property that is or will soon be in some stage of the foreclosure process.
3. Property that has an owner who is experiencing a period of financial instability.
4. Property on which the mortgage obligation exceeds its current value, causing the owner to sell.

It is estimated that most American families can only maintain their current living expenses for 60 days or less when income is interrupted for any reason. With that statistic in mind, we will list some of the reasons that can cause a property and homeowner to become distressed.

- |  |                               |
|--|-------------------------------|
| 1. Payment Increase or Mortgage Adjustment | 9. Divorce                    |
| 2. Loss of Job                             | 10. Separation                |
| 3. Business Failure                        | 11. Relocation                |
| 4. Damage to Property                      | 12. Military Service          |
| 5. Death of Spouse                         | 13. Insurance or Tax Increase |
| 6. Death of Family Members                 | 14. Reduced Income            |
| 7. Severe Illness                          | 15. Too Much Debt             |
| 8. Inheritance                             | 16. Incarceration             |

If you are in a distressed property situation or in a potential distressed property situation, contact "The Match Masters®" for a free confidential analysis of your situation. If none of this information applies to you, please pass it on to someone you know that might find it beneficial.

Sincerely,

*"The Match Masters®"*

*Albert Crider*, CDPE®

*Judy Radvanyi*, CDPE®



• The Right Realtor At The Right Time •





## FORECLOSURE VS. SHORT SALE

### Homeowner Consequences

Issue	Foreclosure	Successful Short Sale
Future Fannie Mae Loan – Primary Residence (effective May 21, 2008)	A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .	A homeowner who successfully negotiates and closes a short sale will be eligible for a Fannie Mae backed mortgage after only <b>2 years</b> .
Future Fannie Mae Loan – Non Primary (effective May 21, 2008)	An Investor who allows a property to go to Foreclosure is ineligible for a Fannie Mae backed investment mortgage for a period of <b>7 years</b> .	An investor who successfully negotiates and closes a short sale will be eligible for a Fannie Mae backed investment mortgage after only <b>2 years</b> .
Future Loan with any Mortgage Company	On any future 1003 application, a prospective borrower will have to answer <b>YES</b> to question C in Section VIII of the standard 1003 that asks “Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?” this will affect future rates.	There is no similar declaration or question regarding a short sale.
Credit Score	Score may be lowered anywhere from <b>250 to over 300</b> points. Typically will affect score for over <b>3 years</b> .	Only late payments on mortgage will show and after sale mortgage will be reported as paid or negotiated. This will lower the score as little as <b>50 points</b> if all other payments are being made. A short sale's affect can be a brief as <b>12 to 18 months</b> .
Credit History	Foreclosure will remain as a public record on a person's credit history for <b>10 years or more</b> .	Short sale is <b>not reported on a credit history</b> . There is no specific reporting item for 'short sale'. The loan is typically reported 'paid in full, settled'.

**Distressed Property Institute, LLC**  
 800-482-0335 | [www.cdpenow.com](http://www.cdpenow.com)

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Security Clearances	Foreclosure is the <b>most challenging issue against a security clearance</b> outside of a conviction of a serious misdemeanor or felony. If a client has a foreclosure and is a police officer, in the military, in the CIA, Security, or any other position that requires a security clearance in almost all cases clearance will be <b>revoked and position will be terminated</b> .	A Short Sale on its own <b>does not challenge most security clearances</b> .
Current Employment	Employers have the right and are actively checking the credit regularly of all employees who are in sensitive positions. A foreclosure in many cases is ground for immediate <b>reassignment or termination</b> .	A short sale is not reported on a credit report and is therefore <b>not a challenge to employment</b> .
Future Employment	Many employers are requiring credit checks on all job applicants. A foreclosure is one of the most detrimental credit items an applicant can have and in <b>most cases will challenge employment</b> .	A short sale is not reported on a credit report and is therefore <b>not a challenge to employment</b> .
Deficiency Judgment	In <b>100% of foreclosures</b> (except in those states where there is no deficiency) the bank has the right to pursue a deficiency judgment.	In some successful short sales it is possible to convince the lender to <b>give up the right to pursuit a deficiency judgment</b> against the homeowner.
Deficiency Judgment (amount)	In a foreclosure the home will have to go through an REO process if it does not sell at auction. In most cases this will result in a lower sales price and longer time to sale in a declining market. This will result in a higher possible <b>deficiency judgment</b> .	In a properly managed short sale the home is sold at a price that should be close to market value and in almost all cases will be better than an REO sale resulting in a <b>lower deficiency</b> .

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