Facing Foreclosure or Considering a Short Sale?

A Guide for Massachusetts & New Hampshire Homeowners

Before you assume you've run out of options, understand where you stand.

Falling behind on a mortgage can happen for many reasons. A change in income, unexpected expenses, a life change, or simply falling further behind than you ever expected can quickly become overwhelming.

The important thing is not to ignore it.

If you're having difficulty making your mortgage payments—or you've already received notices from your lender—there may still be options available to you.

The earlier you understand your situation, the more time you may have to make informed decisions.

Start With the Numbers

One of the first questions is surprisingly simple:

What is your home worth today, and how much do you actually owe?

You may have more equity than you realize.

If your home's likely selling price is enough to pay your mortgage and other obligations associated with the property and sale, a traditional sale may still be possible.

If the amount owed is greater than what the property can reasonably sell for, a short sale may be one option to explore.

But a short sale isn't simply a homeowner deciding to sell for less.

Your mortgage servicer—and potentially other lienholders—may need to approve the transaction. Requirements and timelines can vary depending on the loan, servicer, investor, liens, and the homeowner's individual circumstances.

Don't Wait Until the Last Minute

If you're behind on payments, open your lender's mail and respond to requests for information.

Ask your mortgage servicer what loss-mitigation options may be available to you. Depending on your circumstances and loan, possibilities may include a repayment plan, forbearance, loan modification, traditional sale, short sale, or deed-in-lieu of foreclosure.

And before deciding that foreclosure is inevitable, find out what your property is actually worth.

Information gives you choices. Time gives you room to use them.

Judy Moynihan, REALTOR®
Licensed in Massachusetts & New Hampshire
Century 21 Northeast

Do You Have Equity—or Are You Upside Down?

Before talking about a short sale, one of the first things we need to determine is whether you actually need one.

Your home's value may have changed considerably since you bought it. Even if you're behind on your mortgage payments, you may still have equity in your home.

Start With Three Numbers

1. What could your home realistically sell for today?

An online estimate is only a starting point. A current market analysis can give you a better picture of what buyers may actually be willing to pay for your property.

2. What do you owe?

We need to look beyond your regular mortgage balance. Depending on your situation, there may be a second mortgage, home-equity loan or line of credit, unpaid property taxes, liens, or other amounts connected to the property.

3. What would it cost to sell?

A sale may also involve closing costs, legal expenses, commissions, taxes, and other costs that need to be considered.

Then We Look at the Big Picture

If the expected sale proceeds are enough to cover what must be paid:

You may be able to sell your home through a traditional sale—even if you're currently behind on your mortgage.

If the expected sale proceeds aren't enough:

You may be upside down, meaning there may not be enough money from the sale to satisfy everything that must be resolved at closing.

That's when we may need to explore whether a short sale is possible.

Don't Assume You Know the Answer

It's easy to assume there is no equity and simply give up.

Before making that decision, let's find out what the property is worth, identify what is owed, and look at the numbers.

You may have more options than you think.

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What Is a Short Sale?

A short sale may become an option when the proceeds from selling your home are not enough to satisfy the mortgage and other amounts that must be resolved for the sale to close.

But there is an important difference between a traditional sale and a short sale:

When a lender is being asked to accept less than the amount owed, the homeowner isn't the only party involved in approving the transaction.

The Lender Becomes Part of the Process

You may accept an offer from a buyer, but if the transaction requires your lender to accept less than the amount owed, the lender or mortgage servicer will generally need to review and approve the short sale.

If there are additional mortgages or liens against the property, other parties may also need to be involved.

The lender may request financial information and other documentation before making a decision.

Every Short Sale Can Be Different

There isn't one universal short-sale process.

The requirements can vary depending on the lender or servicer, the type of loan, the investor behind the loan, additional liens, the property's value, and the homeowner's individual circumstances.

That is why comparing your situation to someone else's short sale may not tell you what will happen with yours.

An Accepted Offer Isn't Necessarily the Final Approval

This is important for both sellers and buyers to understand.

A homeowner may accept a buyer's offer, but the transaction may still be subject to approval by the lender or other parties involved.

The lender may review the purchase price, property value, seller's financial information, estimated closing costs, and other details before deciding whether to approve the proposed sale.

That process can take time.

Before Listing as a Short Sale

We want to understand:

- The estimated market value of the property
- The approximate mortgage payoff
- Any second mortgages, equity lines, taxes or other liens
- Whether a traditional sale appears possible
- Where you are in the lender's collection or foreclosure process
- What your lender or servicer requires to consider a short sale

A short sale isn't right for every homeowner. But when it is appropriate, preparation and communication matter.

If Foreclosure Has Already Started, Don’t Ignore It

Receiving a foreclosure notice does not mean you should stop asking questions or exploring your options.

But it does mean time matters.

Open every letter. Keep every notice. Know the dates. Contact your mortgage servicer. And if you’re considering selling the property, don’t wait until the foreclosure sale is right around the corner to find out what your home is worth.

Massachusetts

Massachusetts has specific requirements a lender or mortgage servicer must follow before foreclosing on a residential property.

For qualifying principal residences, Massachusetts law generally provides a 90-day Right to Cure a payment default before the lender can accelerate the unpaid balance or proceed toward foreclosure.

There are additional requirements and notices in the foreclosure process, so the date on any notice you receive is important.

New Hampshire

New Hampshire’s foreclosure process is different.

Many mortgages may be foreclosed through a power-of-sale process when the requirements of the mortgage and state law are satisfied.

For a residential mortgage, New Hampshire law generally requires the foreclosure sale notice to be served or mailed to the homeowner at least 45 days before the scheduled sale.

The law also contains requirements concerning publication of the foreclosure sale and what information must be included in the notice.

Don’t Compare Your Timeline to Someone Else’s

Your neighbor’s foreclosure, a friend’s short sale, or something you experienced years ago may not tell you what applies to your situation today.

The state, mortgage documents, loan, lender or servicer, liens, notices already issued, and the stage of the foreclosure process can all matter.

If you’re considering selling, the earlier we determine the property’s current market value, the sooner you’ll know whether a traditional sale or possible short sale deserves further consideration.

Keep Every Notice

If you’ve received a foreclosure notice, don’t throw it away—even if you don’t completely understand it.

The dates matter.

Bring your mortgage statements, lender correspondence, foreclosure notices and information about any other liens or loans when you speak with your attorney and other professionals helping you evaluate your options.

What Are My Options?

If you're struggling with your mortgage, foreclosure is not necessarily the only possible outcome.

The right path depends on your finances, your loan, the property's value, how far behind you are, and what options your mortgage servicer may offer.

You May Be Able to Stay in Your Home

Start by contacting your mortgage servicer and asking what loss-mitigation options may be available.

Depending on your loan and circumstances, these could include options such as:

Repayment Plan

A structured way to catch up on missed payments over time.

Forbearance

A temporary reduction or pause in payments, depending on the terms offered by your servicer.

Loan Modification

A possible change to certain terms of your mortgage designed to make repayment more manageable.

Not every homeowner—or every loan—will qualify for every option.

A Traditional Sale May Still Be Possible

Being behind on your mortgage does not automatically mean you need a short sale.

If your home is worth enough to cover the mortgage and the other obligations and expenses that need to be resolved at closing, you may be able to sell traditionally.

That's why determining the property's current market value is so important.

A Short Sale May Be an Option

If the expected proceeds aren't enough to satisfy what must be resolved for the sale to close, a short sale may be worth exploring.

This generally requires cooperation and approval from the lender or servicer and potentially other lienholders.

Other Alternatives May Exist

Depending on the circumstances, your servicer may discuss other alternatives, including a deed-in-lieu of foreclosure, in which ownership of the property is voluntarily transferred to the lender under an approved arrangement.

Each option can have different legal, financial, credit and tax consequences.

You Don't Have to Figure This Out Alone

You don't need to become an expert in foreclosure law or mortgage servicing.

You need the right people looking at the right pieces of the situation.

Your mortgage servicer can explain programs available for your particular loan. An attorney can advise you about your legal rights and deadlines. A tax professional can explain potential tax consequences.

And when the question becomes:

"What is my home worth, and could selling it give me another way forward?"

That's where I can help.

Before You Give Up, Let's Look at the Numbers

If you're behind on your mortgage—or worried that you're heading in that direction—you don't have to know today exactly what you're going to do.

But you do need good information.

Before assuming you'll lose your home, before assuming you need a short sale, and before simply walking away, let's find out where you actually stand.

A Good First Step

We can start by looking at:

What is your home worth in today's market?
Approximately how much do you owe?
Are there additional mortgages, equity lines, taxes or liens?
Is there enough equity for a traditional sale?
If there isn't, does a short sale deserve further investigation?

Sometimes the numbers are better than a homeowner expects.

Other times, the numbers confirm that it's time to begin exploring alternatives.

Either way, knowing is better than guessing.

The Earlier You Ask, the More Time You Have to Plan

If you're considering your options, starting sooner can give you more time to understand them and make a plan.

If selling may be part of the solution, starting early gives us time to understand the property's value, gather information, identify potential issues and coordinate with the appropriate professionals.

You don't need to have everything figured out before making the first call.

Let's Start With a Conversation

I've been helping Massachusetts and New Hampshire homeowners navigate real estate decisions for more than two decades.

If you're facing a difficult mortgage situation and you're unsure whether selling is an option, we can begin with a confidential conversation about the property and its current market value.

No assumptions. No judgment. Just information to help you understand your next step.

Judy Moynihan, REALTOR®
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Call or text Judy: 978-360-9495

Important

Foreclosure and short-sale situations may involve legal, tax, credit and financial consequences. Every situation is different.

This guide provides general real estate information and is not legal, tax, financial or mortgage advice. Homeowners should communicate directly with their mortgage servicer and consult appropriate legal, tax, housing-counseling and financial professionals regarding their individual circumstances.