



	Foreclosures	Short Sales
Definitions	Bank owned property. No existing debt.	Owned by a homeowner. Property value is less than amount of debt owed to bank.
Seller Motivation	Sell ASAP for top dollar.	Price to seller not a major factor provided seller's bank approves of the transaction.
Time Frame	Negotiations could take time. Closing will be quick.	Going to contract could be quick. Seller bank approval could likely drag on for months.
Legality	Likely required to sign a seller addendum that will require you to accept a less than fee simple warrantee deed, along with other terms such as penalty for delays.	Expect time delays and contract dates to be extended. May have to obtain mortgage and perform inspection prior to bank approval.
Home Inspection & Repairs	Will allow for home inspection, but usually will not make repairs. Buyer's option to continue with sale or have deposit returned. Property may have utilities turned off and be winterized, making complete inspection impossible or expensive to buyer. Sold "as-is."	Inspections allowed. Few if any repairs will be completed. Risk of losing home inspection money if seller's bank rejects the contract.
Mortgage Approval	May have special financing available. Property condition may be a concern to a buyer's mortgage company.	No special financing. Risk of losing mortgage application money if seller's bank rejects contract.