

PRE-FORECLOSURE SELLER QUESTIONNAIRE

When dealing with a financial distressed property owner who is considering selling their home, it's crucial to ask questions that will give you a clear understanding of their financial situation, motivations, and expectations. These questions not only help in assessing the viability of a short sale but also in providing the homeowner with the most appropriate advice and assistance. Here are essential questions:

1 Are you already working with a real estate agent? Tell me more.

Some might have already started the process with a realtor and signed an agreement.

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2 Why are you considering selling your home?

This question helps you understand their motivation, whether it's financial distress, relocation, or another reason.

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3 Are you currently facing financial hardship? If so, can you describe the nature of this hardship? Financial hardship is a key criterion for qualifying for a short sale. Understanding their situation will help you gauge the urgency and feasibility of a short sale.

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4 Have you missed any mortgage payments? If so, how many?

The number of missed payments can indicate the severity of their financial situation and how close they might be to foreclosure.

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5 Is your mortgage currently in forbearance due to COVID-19 or any other reason?

Forbearance can affect the short sale process and timelines, and it's crucial to know if this applies.

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6 Do you have a second mortgage or any other liens against the property?

Additional liens can complicate the short sale process, requiring negotiations with multiple lienholders.

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7 Have you attempted to modify your loan with your lender?

If they've tried loan modification without success, a short sale might be the next best step.

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8 What is the current balance of your mortgage(s)?

Knowing the amount owed will help in assessing the difference between the market value of the home and the mortgage balance, which is crucial for a short sale.

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9 Have you received any foreclosure notices from your lender?

If foreclosure proceedings have started, it's important to act quickly to explore alternatives like a short sale.

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10 Are you aware of the current market value of your home?

This will help determine if the property is underwater (owing more than it's worth) and the potential for a short sale to satisfy the mortgage debt.

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11 Are you prepared to work with a real estate agent experienced in pre-foreclosure situations?

Their willingness to work with a professional can significantly influence the process's success.

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12 How quickly do you need to move or sell the property?

Understanding their timeline helps set realistic expectations about the short sale process, which can be lengthy.

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13 What is your goal in selling the property?

Clarifying their ultimate goal can help tailor your advice and strategy to their needs, whether it's avoiding foreclosure, relieving financial burden, or something else.

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