

What are the advantages of a short sale vs. a foreclosure? - Orange County Real Estate

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While in both cases, short sale and foreclosure, the delinquent mortgage will negatively affect their credit rating, at least short sellers avoid having a "debt discharged due to foreclosure" on their credit reports. Mortgage and credit experts say that, after bankruptcy, having a foreclosure on your credit report is the worst result. You could also have to wait up to 5 years to qualify for a mortgage at a reasonable rate. Short sales typically show up on a credit report as a "pre-foreclosure in redemption" status which does negatively effect you credit score, however not nearly to the extent of a foreclosure. After the sale, the mortgage may show up as "discharged." People who successfully complete a short sale may also qualify for a mortgage at a reasonable interest rate in as little as 18 months. So, if buying a home is a future goal, then a short sale is the better option for most people. [Joomla SEF URLs by Artio](#)