

Real Estate Terminology

What is a short sale?

The sale of a property in which the proceeds of the sale fall short of what the owner still owes on the mortgage. Many lenders will agree to accept the proceeds of a short sale and write off the remainder of what is owed on the mortgage if the owner is unable to make the mortgage payments. By accepting a short sale, the bank can avoid a lengthy and costly foreclosure, having to take possession of the property, and the owner is able to pay off the loan for less than what is owed.

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