

[Date]

[Recipient Name]

[Recipient Address]

[City, State, Zip Code]

Subject: Comparison of Financial Recovery: Short Sale vs. Foreclosure

Dear [Client Name],

As you evaluate the best path forward for your property at [Property Address], it is important to understand how a Short Sale compares to a Foreclosure regarding your long-term financial recovery.

Below is a summary of the primary differences:

1. Credit Score Impact

- **Short Sale:** Typically results in a credit score drop of 50 to 130 points. The hit is often categorized as "settled for less than full balance."
- **Foreclosure:** Can lower a credit score by 200 to 300 points and remains a public record for seven years.

2. Future Home Purchase Eligibility

- **Short Sale:** You may be eligible for a Fannie Mae backed loan in as little as 2 years.
- **Foreclosure:** There is generally a mandatory waiting period of 7 years before you can qualify for a conventional mortgage.

3. Deficiency Judgments

- **Short Sale:** In many cases, we can negotiate with the lender to waive their right to pursue a deficiency judgment (the remaining balance).
- **Foreclosure:** The lender often retains the legal right to sue for the difference between the sale price and the loan balance.

4. Employment and Security Clearances

- **Short Sale:** Usually viewed as a voluntary settlement and rarely impacts current employment or security clearances.
- **Foreclosure:** Often must be reported on job applications and can negatively affect positions requiring financial responsibility or high-level security clearance.

5. Control and Privacy

- **Short Sale:** You maintain control over the sale process and the timeline. It is handled as a standard real estate transaction.
- **Foreclosure:** The lender dictates the timeline, and the eviction process is public and involuntary.

Our goal is to help you achieve the best possible outcome to ensure a faster financial recovery.
Please contact me at [Phone Number] to discuss which option is right for your situation.

Sincerely,

[Your Name]
[Your Title]
[Your Company]