



## **Real Estate Leaders Unite to Reduce Foreclosures New Short Sale Strategy Designed to Help Homeowners Avoid Foreclosure**

(October 20, 2009 – Denver, CO) RE/MAX International of Denver, Colorado and HEART Financial Services of Northbrook, Illinois have agreed to work together to help homeowners avoid foreclosure. The real estate franchisor and loan modification leaders have created a unique pre-foreclosure or “Short Sale” strategy that will make it easier for families to sell their homes and avoid the trauma of a foreclosure.

“It’s unfortunate that the Short Sale process has been so difficult to navigate in this marketplace,” says Dave Liniger, Chairman and Co-Founder of RE/MAX International. “We’ve been working hard to promote streamlined Short Sales to provide both significant benefits to lenders, and a welcomed opportunity for homeowners to get a fresh start.”

At-risk homeowners who do not qualify for a loan modification will now have a viable alternative, and will not be forced into foreclosure. Lenders that offer loan modifications to their at-risk borrowers will be invited to participate in this new Short Sale program.

Trained customer service representatives will provide detailed Short Sale information to all homeowners who cannot obtain a loan modification or do not wish to retain their property. If a homeowner believes that a Short Sale might be appropriate, they are directed to a secure Internet website where they can obtain more information, and select a real estate agent in their community who has received comprehensive training on the Short Sale process. RE/MAX has designed this unique online database to assist homeowners with Short Sale information and easy agent referrals.

“It’s been our experience that many homeowners aren’t even aware that Short Sales are a reasonable alternative to foreclosure,” says Jerry Alt, President and Chief Executive Officer

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Of HEART Financial Services. “Each month we speak with thousands of homeowners who can’t qualify for or don’t want a loan modification. For the most part, when we refer them back to the servicer for a potential Short Sale, we lose the opportunity to help the borrower while we have them on the phone. Now, we can offer these homeowners some hope and a more efficient process to list and sell their home.”

The number of homeowners who could rely upon a Short Sale may be in the millions. According to realtytrac.com, July, August and September had the highest foreclosure numbers on record and some analysts say there is a “shadow” inventory of foreclosed properties as high as 7 million, which could start hitting the market in a few months. Out of all the applications reviewed for a loan modification, less than 50% are successful. And a high percentage of successful loan modifications eventually re-default.

“We have been talking to numerous industry leaders, legislators and Administration officials trying to draw attention to the Short Sale situation,” says Liniger. “It’s just not possible for the housing market to recover fully until the inventory of foreclosed properties is significantly reduced, and Short Sales offers one practical way to help do this.”

There are over 11,000 real estate agents in the United States who have received the Certified Distressed Property Expert (CDPE) professional designation. Over 60% of those are affiliated with RE/MAX. In addition, the National Association of REALTORS® also offers a similar Short Sale, Foreclosure and REO (SFR) designation. Agents who have received special Short Sale training like these designations could be selected to participate in this new Short Sale program.

Short Sales can occur when a lender agrees to accept a sales price for a home that is lower than what the homeowner owes on the mortgage. The Short Sale transaction is more complicated than the average real estate sale and consumers are urged to deal with agents who have specific training in the process.

HEART Financial Services will begin offering the newly developed Short Sale process to the loan modification applicants of their clients within the next few weeks.

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***About HEART Financial Services***

HEART Financial Services, LLC is headquartered in Northbrook, Illinois and has over 200 professional customer service representatives and loss mitigation negotiators dedicated to assisting mortgage borrowers.

Since mid-2008 HEART Financial has worked with over 800,000 consumer mortgage borrowers and has achieved closing rates in excess of 40%. No fees are charged to the consumer for working out a suitable plan for home retention.

As one of the largest loan modification facilitators in the country, HEART Financial has a proven record of reaching the problematic “no contact” borrowers before a decision to foreclose has been made and achieves higher resolution rates than industry averages.

HEART Financial is dedicated to developing successful outreach programs for our servicing clients to engage their customers in a meaningful manner to work out a suitable solution to avoid foreclosure.

For more information please visit: [www.heartfinancialservices.com](http://www.heartfinancialservices.com)

***About RE/MAX International, Inc.***

RE/MAX was founded in 1973 by Dave and Gail Liniger. From a single office in Denver, Colorado, it has grown into a global network of nearly 100,000 Sales Associates in more than 70 countries, an international presence greater than any of its competitors. Nobody in the world sells more real estate than RE/MAX.

RE/MAX has been honored as the leading real estate franchise for 9 of the last 10 years in the oldest and most respected ranking, “The Franchise 500 Survey,” published by *Entrepreneur Magazine*.

Today, all the home listings in thousands of cities and towns can be found at [www.remax.com](http://www.remax.com), consistently ranked among the most visited real estate web sites.

RE/MAX International is proud of its Premier Community Citizenship, which has raised nearly \$100 million for deserving organizations like Susan G. Komen for the Cure, Children’s Miracle Network and The Sentinels of Freedom Foundation.

For information on RE/MAX International visit: [www.remax.com](http://www.remax.com) or [www.joinremax.com](http://www.joinremax.com)

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