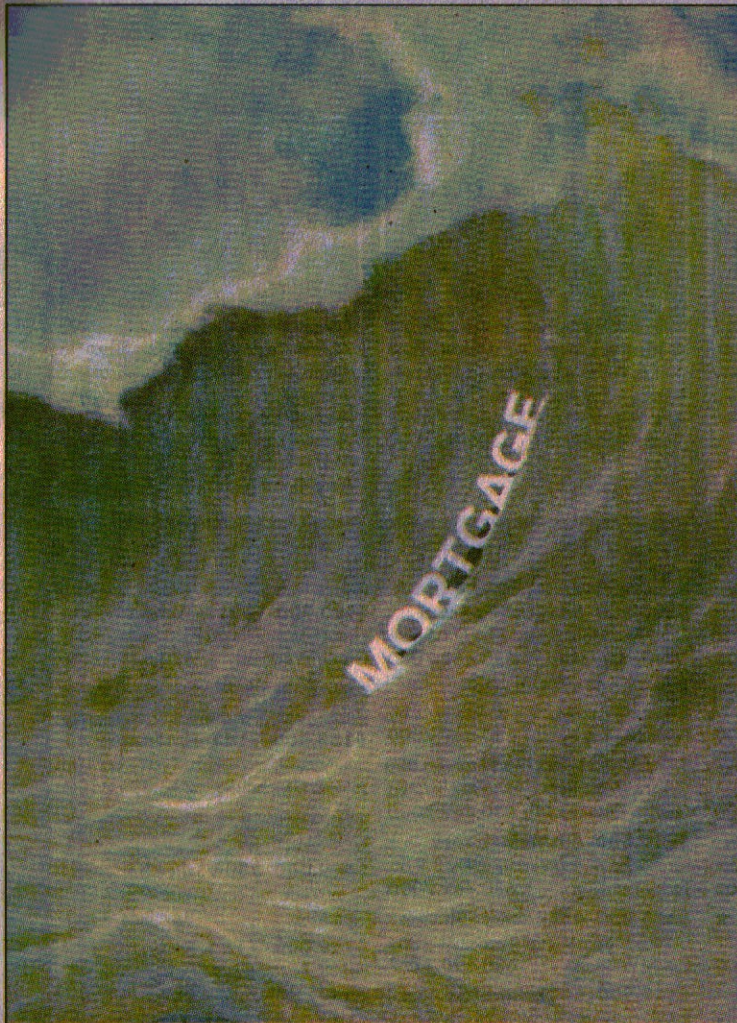


Home finance toolkit

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ELLIOTT BEAZLEY/TRIBUNE ILLUSTRATION

Under water? How to bail out

153,128

Number of properties in the Chicago-Naperville-Joliet area, as of Dec. 31, that are "under water" (or upside-down). This means that the amount owed on the mortgage is more than what the home is now worth. (This number represents 11.4 percent of all properties with a mortgage.)

8.3 million

Number of mortgages nationwide, or 20 percent, that are in a negative equity position.

Source: First American CoreLogic, a provider of real estate data

Selling tip: If you're in this group and need to sell your home, consider asking your lender to approve a short sale, or the sale of your property at a price lower than your outstanding mortgage balance. You don't have to be "in trouble" to seek a short sale, you just have to have a house that is worth less than the amount owed and don't have assets to satisfy the outstanding balance when the home is sold, says attorney Hank Shulruff, senior vice president of business development of Chicago-based Attorneys' Title Guaranty Fund Inc.

Short-sale how-to: Have your real estate attorney talk to the lender. Be prepared to provide the lender an appraisal of the property and a list of your assets, Shulruff says. The lawyer will then work with the lender on an agreement to take less than the amount owed in satisfaction of the debt, release the mortgage and the homeowner from any further payment obligations.

"So many people are upside down ... that it's become unbelievably common," Shulruff says. "Many who bought three to six years ago without a big down payment" are probably underwater now, he adds.

For lenders in today's market, "it's often less expensive ... to take short money on a sale than to go through the foreclosure process."