NY Homeowner's Options Cheat Sheet

Probate · Foreclosure · Short Sale · Cash Sale

This cheat sheet summarizes the most common paths New York homeowners consider when they need to sell a property in a difficult situation. It is educational, not legal or tax advice. For your specific situation, speak with a qualified attorney or housing counselor.

1. Your 4 Main Selling Options

Cash / Investor Sale — Fastest. Sell as-is, no repairs, close in 2–4 weeks. Best for inherited, vacant, or distressed properties. You typically get 60–75% of after-repair value.

Listing with an Agent — Highest potential price, but requires repairs, showings, and 3–6+ months. You pay ~5–6% commission plus closing costs.

For Sale By Owner (FSBO) — You handle everything: pricing, marketing, showings, contracts, and closing. Saves commission but demands time and expertise.

Auction — Fast sale, but no guaranteed price. Common for foreclosure or tax-delinquent properties. High risk, low control.

2. Inherited Property — Probate Quick Guide

If the owner died **with a will**, the property goes through Surrogate's Court probate. The executor gets Letters Testamentary, then can sell.

If the owner died **without a will**, New York intestacy law determines heirs. An administrator is appointed. All heirs must agree to sell.

Timeline: Simple probate = 3–6 months. Contested = 12+ months. You cannot sell until the court issues Letters.

Key cost: Attorney fees, court filing fees, possible estate tax (estates over $6.94M in 2026).

3. Behind on Mortgage — Foreclosure Timeline

Day 1–30: Missed payment. Lender sends notice. No public record yet.

Day 90+: Lender files a *Lis Pendens* (notice of pending lawsuit). This becomes public record.

Month 6–12: If no resolution, lender seeks a judgment of foreclosure and sale. The court sets an auction date.

Your options at any stage: Loan modification, forbearance, short sale, deed in lieu, Chapter 13 bankruptcy, or sell to a cash buyer.

NYC right to cure: In New York City, you have the right to cure (pay what's owed) up until the auction date.

4. Tax Liens — What You Need to Know

Unpaid property taxes become a lien. NYC can sell that lien to a third party (tax lien sale) who then charges 18% interest.

DEP water liens, ECB violations, and IRS liens also attach to the property. They do NOT prevent a sale — they get paid at closing from sale proceeds.

Don't panic. A cash buyer can purchase a lien-heavy property. The title company pays off all liens at closing. You don't have to clear them first.

5. Underwater Mortgage — Short Sale Basics

A short sale means selling for less than the mortgage balance. The lender must approve accepting less than what's owed.

When it makes sense: You owe more than the house is worth, you can't keep paying, and you want to avoid foreclosure on your credit report.

The process: List with an agent experienced in short sales. Submit a hardship package to the lender. Wait 30–120 days for approval. Close.

Deficiency judgment: In NY, the lender CAN pursue you for the remaining balance after a short sale. Negotiate a waiver in writing.

6. Quick Checklist: What to Gather Before You Sell

· Property deed or last recorded conveyance

· Mortgage statement (current balance)

· Property tax bills (last 2 years)

· Insurance policy info

· Any liens, violations, or court papers

· Probate documents (if inherited)

· Photo ID for all owners/heirs

· Recent utility bills

· List of known repairs needed

· HOA / co-op / condo documents (if applicable)