

## The Pros and Cons Of a Cash For Keys Agreement

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A cash for keys agreement can be of benefit to a home's occupant by providing money for relocation expenses. The new owner of a home that was previously foreclosed on also benefits in that the home is vacated without need of waiting the legal term given for such action or without having to undergo eviction procedures. Cash for keys does have a few drawbacks, however, in that an occupant must move in a shorter period of time, which creates pressure to locate a new home and move into it within a very brief timespan. Monies given also do not always fully cover moving expenses.

Cash for keys is a commonly used term in real estate. It applies to situations where a home has been foreclosed on and the new owner, which is often the lender that foreclosed on the home, offers the home's occupants money to move out shortly thereafter. In some cases, a cash for keys agreement is offered by an owner who bought the home before it was foreclosed on in what is called a short sale or is a new owner who purchased the home from a trustee sale.

After a home has been foreclosed on, a renter must be allowed a certain amount of time to move out of the home. This period can vary depending upon local laws, but usually does not exceed 90 days. Within that time, however, the new owner is not able to take full possession of the property or move a new occupant into the property, and the old occupant's presence can even be problematic in preparing a property for a new sale for profit.

In some instances, an occupant may also not cooperate with vacating the property, which forces the new owner to initiate an eviction process with the courts. Doing so can be costly and may further delay the owner from having full control over the property for several additional months. To avoid this, many owners prefer a cash for keys exchange. Although money must still be spent to entice the occupant to move, it is often far less than would be lost if an occupant remains in the property without paying rent. The amount spent on cash for keys is often less than what an eviction proceeding may cost, too.

Occupants, however, often find that a cash for keys arrangement adds additional stress. While money is provided to facilitate a move, it is not always easy to find a new home at an affordable price in the brief amount of time expected in a cash for keys situation, which is often only a few weeks or less. On top of this, the amount offered does not always cover moving expenses, which also creates financial stress.