



# UDALL LAW FIRM LLP

## **Seller Beware: Avoiding the Pitfalls of Foreclosures and Short-Sales**

**Melissa Noshay Petro, Esq.  
Udall Law Firm, LLP**

### **Overview**

- **The Current State of Arizona's Anti-Deficiency Law**
- **Foreclosures and Anti-Deficiency Protection**
- **Short-Sales (and Deeds in Lieu of Foreclosure) – Zero Protection?**

### **I. The Current State of Arizona's Anti-Deficiency Law**

- What is Anti-Deficiency Protection? A.R.S. §33-814**
- When do Arizona's Anti-Deficiency Laws Apply?**
- What do Anti-Deficiency Laws Protect Against?**

### **II. Foreclosures and Anti-Deficiency Protection**

- What is a Foreclosure and Why Are There no Mortgages in Arizona?**
  - Trustee's Sale**
  - Judicial Foreclosure**
- When Does Anti-Deficiency Protection Apply in a Foreclosure?**
  - Character of Property**
  - Single Lender**
  - Second Lender - Purchase Money**
  - HELOC or Multi-Use Loan Proceeds (Garage vs. Speed Boat)**

### **III. Short-Sales (and Deeds in Lieu of Foreclosure) – Zero Protection?**

- What is a Short-Sale?**
- What is a Deed in Lieu of Foreclosure?**
- Does Arizona's Anti-Deficiency Law Apply to Short-Sales and Deeds in Lieu of Foreclosure?**
- What Should a Homeowner do to Protect Him or Herself in a Short-Sale or Deed in Lieu Transaction?**



---

# UDALL LAW FIRM LLP

---

**Melissa Noshay Petro**  
**mpetro@udalllaw.com**  
**Phone: (520) 623-4353**

**Udall Law Firm, LLP**  
**4801 E. Broadway Blvd., Ste. 400**  
**Tucson, AZ 85711**

Melissa “Mimi” Petro is a partner with the Udall Law Firm, Tucson’s oldest law firm. Her practice is focused on residential and commercial real estate, corporate law, business transactions, and estate planning and probate. Mimi represents individuals and companies in connection with the formation of business entities and provides ongoing consultation to businesses as diverse as the southwest. Mimi brings to her clients her experience as a small business owner and the depth of a full service law firm, but provides individual attention everyone deserves. In addition to assisting her clients, Mimi teaches legal seminars to new and existing business owners through the Microbusiness Advancement Center and guest lectures on real estate, business matters, and estate planning. Mimi graduated *magna cum laude* and in the top eight percent of her class from the University of Arizona, James E. Rogers College of Law.

In addition to her professional endeavors, Mimi is a Board Member for the Southern Arizona AIDS Foundation, on the Steering Committee for the Legal Community Against Hunger, and on the Risk Management Committee for the Jewish Family and Children’s Services of Southern Arizona.

## **Representative Matters**

Forming limited liability companies and for profit and non-profit corporations.  
Real estate purchase, sales, and development.  
Business purchase and sales transactions.  
On-going business consulting including contract preparation and employment matters.  
Financing (real estate and business).  
Intellectual property rights, licensing, and related agreements.  
Commercial and residential leasing.  
Estate planning, probate, and trust administration.  
Loan modifications, restructuring, and enforcement.

## Areas of Practice

Business & Corporate Law

Employment Law

Estate Planning & Probate

Will & Trusts

Business & Commercial Litigation

Professional Malpractice

Family Law

Personal Injury

Product Liability

Criminal Defense

Immigration Law

ERISA & Employee Benefits

## Contact Us

### Udall Law Firm (Tucson)

4801 E Broadway Blvd, Suite 400  
Tucson, AZ 85711

### Udall Law Firm (Phoenix)

201 North Central Ave, Suite 3300  
Phoenix, AZ 85004

**Phone:** 520.623.4353

**Toll Free:** 1.800.527.4431

**Fax:** 520.792.3426

[www.udalllaw.com](http://www.udalllaw.com)

### Scan It!

View a special  
message from  
Wendell Hicks,  
SAAF Executive  
Director



---

# UDALL

---

# LAW FIRM<sub>LLP</sub>

---

Serving Southern Arizona Since 1952





## Since 1952

Udall Law Firm, LLP offers a full range of legal services to individuals and corporations throughout the State of Arizona. Our full-service law firm has been a dedicated part of the Tucson community since it was founded in 1952. Over the years, Udall Law Firm has established itself as a leader in providing quality legal advice and services.

Today, as the oldest and one of the largest law firms in Southern Arizona, we understand that being of service to our clients takes more than just legal expertise. It takes wisdom, passion for service, and the insight to find the right path. Real wisdom is gained by understanding when to avoid conflict, and when to meet it head on.

## Our Clients

From individual clients in personal legal matters, to business and corporate clients in complex litigation, we are proud to offer our clients proven legal expertise, sound judgment, and responsive accessibility.

## Corporate & Business

At Udall Law Firm we understand how businesses work. Our attorneys represent a full-range of business types and sizes, including: entity formation, lease agreements, purchase/sale agreements, employment and immigration matters, real estate transactions, non-profit business issues, wills, estate, trust, conservatorship and probates.

## Litigation

Our litigators have extensive experience and are equipped to take an aggressive approach to resolve any dispute that might arise. Our commitment to our clients is reflected in the long-standing nature of many of our client relationships. With experience in all courts, we are dedicated to providing timely legal expertise and sound judgment.

## States of License

- Arizona
- California
- Indiana
- Illinois
- Nebraska
- Nevada
- Oregon
- Washington

## Real Estate

Our real estate and land use attorneys are experienced in handling both residential and commercial legal matters. From acquisition and development to financing, sales, land use and environmental permits, we are able to assist our clients every step of the way. Our proven experience allows us to proactively identify issues before they become problems. But if problems cannot be avoided, we have the right mix of resources to solve them.



## Community

Udall Law Firm, LLP is committed to supporting and giving back to our community. Our attorneys are encouraged to take an active part in assisting clients in need, through pro bono services. As a Firm, we regularly support and participate with many non-profit organizations to help bring about positive change and address the needs within our community.



UDALL LAW FIRM LLP

