

SALES ASSOCIATE GUIDE TO WORKING WITH SHORT SALES

Listing a Short Sale Property

Following is a list of steps to complete when listing a short sale property:

- ☐ Estimate the Seller's Equity utilizing the Client Services Agreement (T208)
- ☐ Advise the Seller to speak with a real estate attorney, experienced working with short sale transactions
- ☐ Obtain the Seller's Authorization to Contact the Lender to facilitate communication related to the transaction
- ☐ Obtain the Lender's requirements/paperwork for a short sale and review them with the seller
- ☐ List the property with the proper MLS disclosure language, where applicable.

Working with Buyers Interested In a Short Sale Property

Assess whether your buyers are a good match for a short sale transaction:

- ☐ Are the buyers willing and able to wait for 3rd party approval to close?
- ☐ Do the buyer's have a home to sell before they can purchase?
- ☐ Are the buyers willing to invest in a home inspection and counsel from an attorney before 3rd party approval is granted?
- ☐ Are your buyers willing and able to make home repairs?
- ☐ Discuss contractual contingencies for the Buyer regarding limiting timeframes for 3rd party approval, as appropriate.
- ☐ Use MLS Board approved Addendums, if applicable.

The Short Sale Package

Once an offer is received on a short sale listing, the short sale package needs to be completed and sent to the lender for 3rd party approval. Items are generally submitted by the seller, the agent and the seller's attorney and may include:

From the seller:

- ☐ Authorization to Release Information (with both attorney and agent authorization)
- ☐ Hardship Letter
- ☐ Seller's financial statement including assets and liabilities
- ☐ List of monthly obligations (income and expenses)
- ☐ 2 most recent pay stubs
- ☐ 2 months of bank statements
- ☐ 2 years of Federal tax returns and W2 forms

From the agent:

- ☐ Listing Agreement
- ☐ A fully-signed Agreement of Sale/Sales Contract
- ☐ Mortgage pre-approval for the buyer
- ☐ Home Inspection Report
- ☐ Broker's Price Opinion (BPO) with comparables

From the attorney or title representative as applicable:

- ☐ Preliminary HUD-1
- ☐ Mortgage and Lien payoff letters
- ☐ Title report and judgment search reflecting all liens and judgments

