

Helpful tips for a successful short sale



- ❖ Explain to your seller the short sale process. The good, the bad and the ugly!
- ❖ Don't be discouraged if your first offer doesn't get approved.
- ❖ Avoid these common sales contract mistakes:
 - Sellers name should appear not "Owner of record"
 - Complete address including city, state and zip code.
 - Contracts are not assignable. ☹️
 - Title evidence and Insurance: Box (i) needs to be marked. Seller will designate Closing Agent and pay for Owner's Policy and Charges.
 - Don't forget to include short sale addendum
 - Allow 90 days for short sale to be processed.
 - Keep note of expiration dates on contract and extend as needed.
- ❖ Always require an escrow deposit. No \$\$ = No buyer commitment
- ❖ Obtain *clear and legible* documents.
- ❖ Make sure documents are complete. Ex. all pages of bank statements even if blank, tax returns with all schedules, etc.
- ❖ Provide documents by deadline to avoid delays.
- ❖ If seller lives in the property start speaking to them about relocating. Same goes to properties that are tenant occupied.
- ❖ If your seller has filed for bankruptcy please inform us right away as additional documents will be needed.
- ❖ Be present when the short sale lender performs BPO/Appraisal
- ❖ Keep buyer's agent informed throughout the process. Informed buyers tend to stick around longer.
- ❖ Have patience and stay POSITIVE!



Sample list of documents needed for short sale

****Please note these documents vary from lender to lender so please call us for a list of documents specific to your short sale lender.**

-Uniform Borrower Assistance Form AKA Form 710

-4506t

-Proof of income:

-If seller is wage-earner:

-last 60 days of recent pay stubs

-If seller is self-employed:

-Profit & Loss Statement: Year to date

-If seller receives unemployment benefit:

-Unemployment award letter

-If seller is retired:

-Social security award letter

-2 most recent bank statements for all accounts (checking, savings, IRA, etc). Please include ALL PAGES even if blank.

-last 2 years tax return with all schedules and W-2's or 1099's (form 1040 page 2 must be signed and dated)

-Proof of occupancy: current utility bill OR if the property is rented – a copy of the lease agreement

-Hardship letter: signed and dated

-Current Homeowners Association statement showing balance

Documents needed from listing agent:

-MLS print out & listing history

-listing agreement

-Sales contract

-Buyer pre-approval letter OR proof of funds dated within 30 days