

## Short Sale Checklist – Information Gathering

Compile the following information when creating a short sale proposal packet.

Note: Always make copies of original documents and return originals to the homeowner.

### Financial Information

- Three most recent bank statements for all checking accounts for all borrowers
- Three most recent bank statements for all savings accounts for all borrowers
- W2s from the past two years for all borrowers
- Income tax returns from the past two years for all borrowers
- Past three paycheck stubs for all borrowers
- Copies of all bills for all borrowers from the past two months. Will be used to compile a financial worksheet. Could include:
  - Automobile loans
  - Alimony/child support
  - Child care bills
  - All credit card bills
  - Electricity bills
  - Gas bills
  - Water/Sewage bills
  - Home telephone bills
  - Cell phone bills
  - Cable bills
  - Automobile insurance
  - Health insurance
  - Life insurance
  - Doctor bills
  - Dentist bills
  - Pharmaceutical drug bills
  - Food/Groceries
  - School lunches
  - Gasoline (auto)
  - Student loans
  - Other loans
  - Other bills

## Hardship Information

- Hardship letter that describes succinctly yet persuasively why the homeowner was unable to meet his or her loan payments. The homeowner must write the hardship letter.
- Documentation of hardship. Documentation may include:
  - Hospital bills
  - Doctor bills
  - Home repair bills
  - Documentation of unemployment
  - Documentation of incarceration
  - Death certificate
  - Divorce decree
  - Other documentation

## Property Information

- Information about any additional liens on the home. The homeowner may have this information. Ask the homeowner if he or she has a recent credit report. Alternately, a present owner search would reveal whether there are any additional liens.
- Recent Comparative Market Analysis (CMA)
- Estimated HUD-1
- Estimates for any necessary repairs to the home.
- Most recent property tax bill and proof of payment status
- Proof of homeowner's insurance coverage

## Lender Information

- Monthly statements from the first and second lenders
- Name of supervisor in Loss Mitigation department
- Direct phone number for Loss Mitigation department
- Short sale application from the lender
- Written authorization from the homeowner for the Realtor to speak on his or her behalf

## Other

- If homeowner filed for bankruptcy, name and number of bankruptcy attorney
- If homeowner is in a law suit, name and number of attorneys

Property Address:
Public Auction Date:

## Short Sale Contact Record

### Seller Information

Seller Name(s):		
Street Address:		
City:	State:	Zip:

Seller 1 SSN:	Seller 2 SSN:
Seller 1 DOB:	Seller 2 DOB:
Seller 1 Cell #:	Seller 2 Cell #:
Seller 1 Home #:	Seller 2 Home #:
Seller 1 Work #:	Seller 2 Work #:
Seller 1 Fax #:	Seller 2 Fax #:
Seller 1 Email:	Seller 2 Email:

### Property Information

Street Address:		
City:	State:	Zip:

Unit:	Subdivision:
MLS #:	Gate Code:

Purchase Price \$:	Purchase Date:
Deposit Amt. \$:	

Listing Date:	Listing Price \$:
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BPO Date:	BPO Amt. \$:
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### Lender Information

Lender 1 Name:		
Street Address:		
City:	State:	Zip:
Phone:		Fax:

Loss Mitigation Dept. Direct #:	
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Loan Officer Name:	Supervisor Name:
Phone #:	Phone #:
Email:	Email:
Fax #:	Fax #:

Other Contact:	Other Contact:
Position:	Position:
Phone #:	Phone #:
Email:	Email:
Fax #:	Fax #:

Loan Amount:	Loan Number:
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Lender 2 Name:		
Street Address:		
City:	State:	Zip:
Phone:		Fax:

Loss Mitigation Dept. Direct #:	
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Loan Officer Name:	Supervisor Name:
Phone #:	Phone #:
Email:	Email:
Fax #:	Fax #:

Other Contact:	Other Contact:
Position:	Position:
Phone #:	Phone #:
Email:	Email:
Fax #:	Fax #:

Loan Amount:	Loan Number:
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### Buyer Information

Buyer Name(s):		
Street Address:		
City:	State:	Zip:

Buyer 1 Cell #:	Buyer 2 Cell #:
Buyer 1 Home #:	Buyer 2 Home #:
Buyer 1 Work #:	Buyer 2 Work #:
Buyer 1 Fax #:	Buyer 2 Fax #:
Buyer 1 Email:	Buyer 2 Email:

Buyer Agent:		
Broker Name:		
Street Address:		
City:	State:	Zip:

Agent Cell #:	Agent Fax #:
Agent Home #:	Agent Email#:

### Home Warranty Information

Company Name:	Fax #:
Phone #:	Confirmation #:

### Home Inspection Information

Company Name:	Inspector Name:
Phone #:	Fax #:

## Call Notes:

Name:		Date:	
Company:		Time:	
Topic:			
Outcome:			

Name:		Date:	
Company:		Time:	
Topic:			
Outcome:			

Name:		Date:	
Company:		Time:	
Topic:			
Outcome:			

Name:		Date:	
Company:		Time:	
Topic:			
Outcome:			

Name:		Date:	
Company:		Time:	
Topic:			
Outcome:			

Name:		Date:	
Company:		Time:	
Topic:			
Outcome:			

## Offer Record:

Obtain a signed Short Sale Disclosure from each potential buyer. Record the date of that disclosure along with the offer amount and date.

Potential Buyer Name:			
Agent Name:			
Agent Company:		Date on Disclosure	
Agent Phone:		Agent Email:	
Offer Amount:		Offer Date:	
Notes:			

Potential Buyer Name:			
Agent Name:			
Agent Company:		Date on Disclosure	
Agent Phone:		Agent Email:	
Offer Amount:		Offer Date:	
Notes:			

Potential Buyer Name:			
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Agent Company:		Date on Disclosure	
Agent Phone:		Agent Email:	
Offer Amount:		Offer Date:	
Notes:			

Potential Buyer Name:			
Agent Name:			
Agent Company:		Date on Disclosure	
Agent Phone:		Agent Email:	
Offer Amount:		Offer Date:	
Notes:			

# Short Sale Proposal Packet Checklist

Include the loan number on the header of every page in the proposal checklist.

- Title page
- Executive summary that highlights the financial benefits to the lender for accepting the short sale
- Table of contents
- Written authorization from the homeowner for the Realtor to speak on his or her behalf
- Lender's short sale application
- Listing agreement
- Buyer's contract
- Estimated HUD-1
- Information about any other liens on the home
- Short sale disclosure signed by the seller and the buyer
- Hardship letter. Note: The hardship letter must be written by the homeowner
- Supporting documentation for the hardship, including financial documentation
- Recent Comparative Market Analysis (CMA)
- Documentation of any damage to the home and estimates for repairs
- Detailed request for the short sale
- Cost-benefit analysis that details the financial benefits to the lender of accepting the short sale
- All relevant phone numbers and contact information

# Short Sale Disclosure Example

Property Address: \_\_\_\_\_

In a short sale the seller's lender agrees to accept less than what is owed on the loan for a property. As such, it requires the lender's approval.

Please note that the property will continue to be on the market until the lender accepts an offer.

The following is a partial list of potential situations that could affect a short sale:

1. After the lender receives the short sale packet, the lender will require at least 30 days to approve the short sale. After approval, the sale must close within 30 days.
2. The seller will receive no cash from this transaction. Any funds usually due to the seller will be paid to the lender.
3. The seller has no additional cash and will be unable to pay for any closing costs, such as the buyer's appraisal or a home warranty.
4. The seller is unable to pay for maintaining the property. If the buyer would like to turn on the utilities for any inspections, the buyer must pay for those utility costs.
5. The seller's agent will split the commission 50/50 with the buyer's agent. Please note that since the lender is taking less than what is owed to them in a short sale, the lender may negotiate a lower commission percentage.
6. The forgiven debt may be taxable income. The seller should discuss this matter with a tax accountant.

By signing this disclosure, you acknowledge that you have read and understand these situations. Any changes to the total commission rate will be announced at the time of the lender's final approval of this short sale.

\_\_\_\_\_  
Seller's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller's Agent's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer's Agent's Signature

\_\_\_\_\_  
Date

Lender Name  
Lender Address

Today's Date

Re: Hardship Letter/Short Sale for 123 Main Street, City, State 12345

To Whom It May Concern:

I purchased the property at 123 Main Street in March 2006. At that time, I had just started my own antique resale business, which had great promise for generating profits capable of supporting my mortgage. Unfortunately, sales were slow, which I attribute to great declines in tourism after gas prices skyrocketed. I ran out of money, and began working as a waiter to make ends meet. At the same time I was redoubling my efforts in my own business, but to no avail. After struggling for months to make my expensive mortgage payments, I had no choice but to put my house on the market. In August of 2006 I put my home up for sale by owner at an original listing price of \$210,000. The only people to look at the house ran when they saw the extensive damage to the pool and the severe water damage from a leaking roof that had long needed a replacement. I lowered the price, but still had no takers. Over the next couple of months I lowered the home price three times, finally settling at \$170,000. This price was the lowest I could list the house at and still afford real estate agent commissions to be deducted, although it leaves me with no profit. The home still has no offers. I am working with a Real Estate agent now, who is listing my house and promises to push it to get it sold quickly. I believe that using an actual agent will ensure that the home sells promptly.

I love my home, but I also understand that at this point, I cannot afford it. I am a single parent, now working as a waiter to survive. My financial situation cannot sustain a home mortgage of nearly \$2000.00 per month. I would like nothing more than to sell my home, avoid foreclosure, and salvage my credit. This is my main concern. I know that a foreclosure on my record will affect me for years to come. I would ask that you please assist me in avoiding this.

Please accept this offer as payment in full. My attorney has advised me to file bankruptcy, but I prefer to avoid further destruction of my credit. I just want to move on and start over.

I deeply appreciate your help and understanding in this matter. If you have any questions, or need anything further from me, please contact me personally.

Kindest regards,  
Home Owner Name