

SHORT SALE - CHECKLIST

Representing the Seller

Pre-listing

- Review complete property status report; liens and encumbrances, ownership (verify , notice of default, trustee sale notice)
- Ask seller about other liens, obligations and/or judgments (i.e. Internal Revenue Service, Franchise Tax Board, pre-payment penalties)
- Determine seller's objective; retain the property (loan modification or refinance) or liquidate (short sale, foreclosure)
- Determine seller's intent with respect to a forgiveness of debt vs. a release of lien (or combination thereof)
- Does seller have sufficient funds to move if a short sale is approved?
Lien holder may allow for a moving allowance
- Refer seller to tax and legal advisors, and/or provide HUD approved list of non-profit counseling agencies

Post listing

- Research loan(s) with lien holder or servicing agent (for example Countrywide or Washington Mutual servicing a loan wherein FannieMae or FreddieMac is the investor) or is the loan a portfolio loan (for example Countrywide or Washington Mutual owns the loan)
- Identify investor: FannieMae and FreddieMac have websites/hotlines
- Contact lien holder early to discuss strike or reserve price options
- Borrower prepared hardship letter/explanation and financial statement
- Include Short Sale addendum to listing contract
- Include Coldwell Banker Borrower Authorization
- Specific language in MLS regarding lien holder approval of short sale and selling office compensation in confidential remarks

Negotiations and Submission to lien holder or servicing agent

- Include CMA or BPO, photographs and any other data that support pricing
- Insert borrower name and loan number on each page of documents submitted to lien holder
- Establish listing history / price reductions / offers to purchase etc.
- Be certain that contract negotiations between buyer and seller have been exhausted
- Submit complete package to all lien holders at onset
- Document all conversations: date, time, nature of call
- Follow up with lien holder(s), buyer's agent and seller

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