

Agent ~ Pre-foreclosure ~ Short Sale checklist

The following items must be sent to the mortgage holder(s) when submitting a contract for short sale approval. Send all items at one time so that the mortgage company (ies) have a complete package.

From the Listing Agent

Fax Cover Sheet Your Contact Information – Include Mortgage Account Number (RMCR-FSS)
Mortgage Company Authorization to release Seller Information to Realtor (RMCR-MCA)
Listing Agreement with FMLS & MLS print out
Showing & Price Reduction Log (RMCR-SPR)
Contract – Legible & Complete – All contingency removed – Include Instruction to Closing Attorney
Pre-Foreclosure – Short Sale Exhibit (RMCR-PFE)
Market Absorption Report (RMCR-MAR)
Comparable Sold – Based on past three months sold properties. (FMLS Printout)
Buyer Approval Letter ~If Cash Buyer Proof of funds

Ganek, Wright & Minsk 678-376-8008

Our closing partners are ready to assist you with the documents you need. Order form (RMCR-GWM)
HUD 1 Settlement statement, Title Report & Loan Payoff Statement(s)
If 2nd & 3rd Mortgage Companies HUD must reflect payoff offer for those loans
Double Check Association fees any balances and transfer fee must be listed on the HUD Statement

Items you need from the seller

Sellers Hard Ship Letter outline of current financial situation (One Page Brief)
Sellers current financial obligations ~ List Income and all current monthly bills. (One Page List Bills)
Copy of past two pay stubs
Copy of past two months bank statements
Copy of Sellers past two years tax returns
Any demand letters
Any unemployment documents

Tips

- Allow 60-90 days for closing.
- Sales price must be in line with current sold properties - The mortgage companies will order Broker Price Opinion or Appraisal to assure the sales price is in line with other sales. Mortgage companies will not take fifty cents on the dollar. The seller can and should counter and or reject offer that are unreasonable.
- No contingency ~ such as sale of purchaser current home.
- Inspections should be completed and all repairs address in the contract. Wording in contract for repairs should be approved by Purchaser Mortgage Company. You cannot go back and change terms of contract once approved.
- When two or more Mortgage Companies have loans against the property you must show some funds being paid to the 2nd and 3rd Mortgage Companies. Consider 10% of the loan balance. Make sure that the HUD 1 reflects the 2nd & 3rd Mortgage Companies.
- Do not send the information in piece meal... Send in the most complete package possible. If necessary wait until you have a complete package. You want the person handling the file to have everything and be able to get the sale approved.
- When following up...two calls or e-mails per week...If you e-mail make sure you have the mortgage account number in the subject field...Everything things is filed by the account number...don't be overly aggressive...be professional and persistent. Have the account numbers when you call...Have the file open...Smile they are doing their job be nice but be persistent.

Acct # _____

Property Activity Report

Property: _____

Original List Date: _____

Original List Price: _____

Showing/Activity: _____

Comments: _____

Price Reduction Log

Date:	Price:	Showing/Activity:
_____	_____	_____

Comments: _____

Date:	Price:	Showing/Activity:
_____	_____	_____

Comments: _____

Date:	Price:	Showing/Activity:
_____	_____	_____

Comments: _____

Date:	Price:	Showing/Activity:
_____	_____	_____

Comments: _____

Absorption Report Presentation

You can find the presentation on the www.9321234.net website under agents, fact & forms, miscellaneous.

Log into FMLS.

Determine the price range of the property like you would normally do. You do not need an exact number you're looking for a range. If you think the price of the property would be \$225,000 then the range would be something like 210-240. Price range ~ Think of it as if you were working with a buyer in that area. The buyer may say I want something under 250. Your search may be 200 – 250.

Now that you have the price range 210-240

In FMLS do a search using the price range with the following search criteria...

Search **“Quick Search”**

Set the **“Status” Active ~ Pending ~ Sold**

Set the **“List Price” 210000 – 240000**

School **“Elementary School” Fort Daniel**

Sales Information **“Closing Date” 10/01/2008 ~ 12/31/2008**

Use either the past 3 months or a maximum of 6 months.

Then click on **“Statistic”** it is right below the search button.

This is the report you will get....

Active - 27 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	3	2	0	\$ 214,000	\$ 0	
Avg	4	2	1	\$ 222,235	\$ 0	
Max	6	3	1	\$ 239,990	\$ 0	

Sold - 3 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	4	2	0	\$ 214,900	\$ 215,000	18
Avg	5	3	1	\$ 219,966	\$ 220,833	105
Max	5	4	2	\$ 225,000	\$ 226,500	183

Now you divide the number of sales into the past 3 months.

In this case 3 sales divided into 3 months equals 1.

Then divide 1 sale(s) per month into the number of active properties 27.

The result is 27 months of inventory. So if sales continue at the pace of one per month it would take in theory 27 months to sell all the available properties.

Now enter the **“Middle”** school and don't forget to clear the elementary school.

Active - 71 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	3	2	0	\$ 210,000	\$ 0	
Avg	4	2	0	\$ 224,332	\$ 0	
Max	6	4	1	\$ 239,990	\$ 0	

Pending - 4 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	4	2	0	\$ 225,000	\$ 0	85
Avg	5	3	0	\$ 230,995	\$ 0	119
Max	5	3	1	\$ 239,990	\$ 0	154

Sold - 8 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	4	2	0	\$ 214,900	\$ 191,800	5
Avg	5	3	1	\$ 225,437	\$ 220,787	88
Max	5	4	2	\$ 239,900	\$ 237,500	183

Do the math again... 8 sold divided by 3 months = 2.7 homes sold per month.

71 divided by 2.7 = 26 months of inventory

Now enter the “**High**” school and don’t forget to clear the middle school.

Active - 119 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	0	0	0	\$ 210,000	\$ 0	
Avg	4	2	0	\$ 224,446	\$ 0	
Max	6	4	1	\$ 239,990	\$ 0	

Pending - 7 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	4	2	0	\$ 225,000	\$ 0	19
Avg	4	3	1	\$ 231,668	\$ 0	85
Max	5	3	1	\$ 239,990	\$ 0	154

Sold - 14 Properties Found						
	Bedrooms	Full Baths	Half Baths	List Price	Sale Price	Days on Market
Min	3	2	0	\$ 210,000	\$ 190,000	14
Avg	4	3	1	\$ 225,150	\$ 215,710	73
Max	5	4	2	\$ 239,900	\$ 239,900	183

Do the math again... 14 sold divided by 3 months = 4.7 homes sold per month.

119 divided by 4.7 = 25.3 months of inventory

Based on the absorption report information...

The price range of 210-240 has over two years of standing inventory. If homes continue to sell at the current rate(s) it would take over 2 years for all properties to sell if no other properties were listed for sale.

This report information is a strong indication of the current market.

A review of pending sales is currently indicating a stronger market.

Middle School ~ currently 4 properties are pending when the average has been 2.7 closing per month.

High School ~ currently 7 properties are pending when the average has been 4.7 closing per month.

Why use this information opposed to a CMA? There is a lot of inventory and many subdivisions may not have had a sale in the past 12 months. Most people are looking in a specific geographic area, which makes looking in specific school district a good comparison.

Save the FMLS print outs....

You will use this information to set the price of your listings and to justify price changes.

You will also use this information when justifying the contract price on a short sale.

The report you prepare when you list the property may be totally different in 30~60~90 days. So keep a copy.

Authorization to Release Financial information

Date: _____

Property Address: _____

Borrower Name: _____
SS#: _____

Co-Borrower: _____
SS#: _____

1st Mortgage Co. _____
Account #: _____

2nd Mortgage Co. _____
Account #: _____

I/We hereby authorize the release of information to _____ and RE/MAX Center and assignee any and all information that may be required about my loan, mortgage/trust deed, assumption loan package, payoff loan statement, insurance, tax reference information concerning the above referenced property.

You may produce this document to acquire reference from more than one source. Furthermore, _____ and RE/MAX Center shall include all real estate brokers and their salespersons or assistants, title or escrow companies and their employees, attorneys and other assigns.

Thank You,
I have my home listed with _____ of RE/MAX Center with the intent of doing a short sale.

Borrower's Signature Date

Co-Borrower's Signature Date

Print Borrower Name

Print Co-Borrower Name

Fax Cover Sheet: **Date:** / / **Time:**

Short Sale Request

Account Number : _____
Mortgage Holder : _____
Property Address : _____
City, State, Zip : _____

Contact Person : _____
Direct Phone : _____
E-Mail Address : _____
Georgia License : _____

Company: **RE/MAX Center**
 Georgia License Number: H 18396
 2855 Lawrenceville Suwanee Rd
 Suite 610
 Suwanee, GA 30024

<u>Total Number of Pages</u>	<u>Summary of Documents</u>
Fax Cover – Contact Person	Page(s) <u> 1 </u> of <u> </u>
Agency Authorization	Page(s) <u> 2 </u> of <u> </u>
Purchase & Sale Agreement	Page(s) <u> </u> of <u> </u>
HUD Settlement-	Page(s) <u> </u> of <u> </u>
Market Summary-	Page(s) <u> </u> of <u> </u>
Listing Agreement-	Page(s) <u> </u> of <u> </u>
MLS Data Sheet-	Page(s) <u> </u> of <u> </u>
Buyer Loan Qualification-	Page(s) <u> </u> of <u> </u>
Seller Financial Statement-	Page(s) <u> </u> of <u> </u>

Exhibit Pre-Foreclosure ~ Short Sale

This Exhibit is part of the Agreement with an Offer Date of _____
for the purchase and sale of that certain Property known as:
_____, _____, Georgia
_____.

1. Buyer acknowledges that the sale of the Property will not generate sufficient cash to pay off the mortgages on the Property and the other obligations of Seller with respect to this purchase and sale transaction.

2. This Agreement is therefore contingent upon Seller's mortgage lender(s) agreeing to:

(A) take a reduced pay off on its mortgage(s) in an amount sufficient such that the purchase price of the Property pays off the reduced amount of the mortgage(s), any other liens, judgments and other encumbrances on the Property, the real estate commission(s) owing to the Broker(s) and the other expenses of sale for which Seller is obligated under this Agreement without Seller having to pay any additional sums.

(B) Release Seller from any claim, cause of action, suit or judgment for the amount of the reduction in the payoff on said mortgage(s).

3. In the event, the mortgage lender(s) do not agree to such reductions at least _____ days prior to closing, either Seller or Buyer may terminate this Agreement without penalty upon notice to the other party.

4. The parties agree that under no circumstances will this purchase and sales agreement be assigned.

5. It is agreed by the parties hereto that all of the other terms and conditions of the aforementioned Agreement shall remain in full force and effect other than as modified herein.

6. Upon execution by all parties, this Exhibit shall be attached to and form a part of said Agreement.

Seller Signature: _____ Date: _____

Seller Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

Sellers' Broker Signature: _____ Date: _____

Buyers' Broker Signature: _____ Date: _____

Date: _____

Short Sale Guidelines & Information

Property: _____

Lender(s) _____

First Mortgage: _____

Second Mortgage: _____

The seller must provide financial documents to the lender(s) proving a valid reason for the lender to forgive a portion of the mortgage in order to sell the property for less than what is owed.

Sellers Request for Short Sale:

Approved by lender(s): _____

Seller (has _____) (has not _____) provided all documents needed to request short sale.

Depending on the mortgage holder(s) approval may take up to 90 days from the contract being submitted. Please allow a minimum of 60 days for closing. Every effort will be made to submit a complete package from day one to expedite approval.

Listing Agent's goal...

To submit to the lender(s) within 5 days of contract being accepted by the seller; a complete short sale request package. Seller's financial hardship request will be provided to the lender along with the contract and comparable sales information. Listing Agent will notify buyers' agent when package has been completed and submitted to mortgage holder(s). Listing Agent will then allow 5 business days before contacting the mortgage holder(s) for a status update. Some mortgage holders require 10-15 days before committing to status updates. Listing Agent will provide buyers agent with updates on a regular basic.

Understanding the process:

The offer price must be reasonable and justified by similar closed transactions in the immediate area.

Mortgage holder(s) will either order a broker price opinion or an appraisal to verify that the sales price is in-line with comparable sales in the immediate area. Buyer agents are encouraged to submit along with the offer comparable sales. Comparable sales should be within a reasonable distance from the property and closed transactions within 90 days of offer date.

All offers are contingent on mortgage holder(s) approval.

All offers must have short sale exhibit attached.

Once an offer is submitted the seller-owner will accept, counter or reject the offer prior to submitting offer to mortgage holder(s). Purchaser(s) should complete inspection(s) within five (5) days of Seller acceptance.

All repairs must be addressed prior to submitting the offer for approval by the mortgage holder(s).

If the purchaser(s) will be paying cash proof of funds must be submitted with offer.

If the purchaser(s) will be financing the property proof of loan approval must be submitted with offer.

Please contact Paul Gaigelas 770-797-7001 paul.gaiglas@wellsfargo.com for approval.

This property (does _____) (doesn't _____) qualify for Wells Fargo Flex Fixed Financing.

Closing attorney: Ganek, Wright & Minsk 678-376-8008: Has completed a preliminary title search and will prepare the necessary HUD for lender approval.