

Mr. and Mrs. Seller
123 Somewhere Street
Somewhere, Virginia 12345

January 1, 2008

Dear Mr. and Mrs. Seller,

Thanks for your openness and honesty about how we need to proceed with your Short Sale. The Lender(s) will typically require a "packet" to be completed to help with the process of selling your home. Below is a list of regularly requested documents that they may request. Please begin getting these items together to help expedite the process.

Short Sale Listing

Are you behind in you payments? _____ When was your last payment? _____

Are you in bankruptcy? _____ If so: Trustee's Information: _____

How much do you owe the bank? _____

Have you talked to the bank? _____

What other liens are on the property? _____

__ Fill out written authorization for permission to talk to lender. Include the owner's name, property address, loan number, your name and contact information.



Have you tried:

Repayment Plan: _____

Work Out Agreement: _____

Loan Modification: _____

Permission for Short Sale: _____

If you are having trouble selling your home, you may be considering a Short Sale. A short sale is when you sell your home for less than what you owe the mortgage company(ies).

Typical of Items needed for Short Sale:

- 3 month of Home Expenses (you could make a chart from Quicken or Microsoft Money)
- 2 or 3 of your latest pay stubs - to show that you still have a job
- A Hardship letter explaining why you cannot make your payments - what has changed since you bought your home. Just state all the facts as clearly as possible.
- Copies of last 2 months of bank statements - this shows that you don't have the money and it is used to compare to your 3 months of expenses that you also sent.
- W2s and/or 1099s for last year
- If you work for yourself, you will need a profit and loss statement
- Listing agreement that shows that your home has already been on the market for at least 3 months
- How much does your lender require in escrow at time of offer? _____
- Information on how much you owe to the 2nd trust (if any)
- Stay up to date of the Status of you Foreclosure



Anything else for their short sale packet?

If you have a 2nd mortgage, send the exact same information to them. If you send something to 1 lender, send it to both.

Permission should be obtained from your lender before listing your home as a short sale. Occasionally, homes do not qualify for short sale for some reason. But in today's market, most mortgage companies would rather have a short sale sooner than later if you can explain why it needs to be done.

Call your mortgage company more then they call you! Keep them informed every step of the way. Keep them informed of exactly what is happening to you. They are typically more willing to work with you if they know what is happening.

There have been numerous articles written on the Short Sale process. Here are some of my favorites...

http://www.ehow.com/how_8132_short-sale.html

<http://www.realtor.org/rmomag.NSF/pages/Feat1200706?OpenDocument>

The listing will be contingent:

"The broker may cancel the listing agreement at their sole option in the event that it is evident that Seller will not be able to "perform" under the Agreement.."

As your agent, I agree to provide to the lender on your behalf:

- Any form(s) you would like me to send for you
- the listing agreement
- the ratified contract and HUD when we come to an agreement with a buyer
- Copy of Ernest Money deposit
- Pre-Approval letter for buyer

Items to include...

- Listing Addendum
- Memo to Loss Mitigation or Home Retention Specialist



- ___ Memo to Lender Payoff Addendum
- ___ Budget Expenses Chart
- ___ Listing Amendment if necessary
- ___ Written Authorization from Seller
- ___ Hardship Letter
- ___ Proof of Income & Assets
- ___ Copies of Bank Statements
- ___ Appraisal (most recent one you may have)
- ___ Copy of Listing Agreement & Contract
- ___ Draft HUD Settlement Statement (Obtained for local attorney)

SAMPLE

