

**SHORT SALE INFORMATION SHEET**  
**((2 pages))**

This informational rich document is for the benefit of the Buyers Agent (and Buyer) who will be writing an offer on a property listed as a Short-Sale. This document spells out the preferred terms and conditions as it relates to this property, the Seller, the Listing Agent and the third party client.

Please read this document **BEFORE** issuing the offer; this will eliminate the need for counter offers, additional paperwork or addendums, and will expedite the process for **ALL** of us. In reality a Short-Sale transaction is a team effort; we **ALL** want the deal to close.

Aggressive pricing and a strong desire (and motivation) on part of the Seller, make the purchase of a short-sale property a unique opportunity for you, as a Buyer's Agent, and for your buyer client. Since the sale of this property will require the final approval of a third party, there are a number differences in the way this transaction and escrow must be handled. The purpose of this document, again, is to help prepare you for these differences and to be used as a guideline for writing the offer.

**Third Party Approval** Even though this property is being offered at market price, it is a price that may not be sufficient to pay normal seller closing costs and pay off the existing lender(s) in full. Even though the Seller (the homeowner on title), may accept the terms of your offer, additional approvals still need to be obtained from the Seller's lender(s), a PMI Company (if applicable) and possibly from a government agency (if applicable).

Since the Seller is still the owner on title, the Seller is the only one that can enter into a contract to sell. However, upon acceptance of your offer by the Seller, your offer will then be submitted for third-party review and approval. Since the contract is subject to review by these third-parties, the purchase price, contract terms and any other conditions may change upon review by these third-parties. **Please Note: If your offer is significantly below the market value, please submit in writing your justification for the lower than market offer.**

**Closing Costs** As a rule, the Buyer in any short sale must pay all negotiable expenses. Please do NOT specify in your offer that the Seller will pay any of the following costs:

<b>Home Warranty Fee</b>	<b>Termite Inspection</b>	<b>Discount Points/Loan origination costs</b>	<b>HOA Transfer Fee</b>
<b>Buyer pre-paid items</b>	<b>Buyers Appraisal</b>	<b>Tax Service Fee**</b>	<b>Survey Costs</b>
<b>Septic Inspection Fees**</b>			

\*\* Unless these fees (or any other fees) charged by Buyer's lender on a FHA or VA loan requires the Seller to pay.

If the buyer **MUST** have closing cost assistance, it **MAY** be possible for the Seller to provide such assistance; but only as a **specific dollar amount** (not as a percentage of the purchase price) to be credited towards buyers NRCC's and pre-pays at close of escrow.

**Contingencies** Contingency contracts are NOT acceptable due to the limited marketing times involved in a short-sale.

**Property Condition & Inspections** The property is being sold **As-Is/Where Is**. You are encouraged to do your due diligence and perform any inspections; the inspections are to be used to ascertain the condition of the property only. It is next to impossible to obtain approval from a third-party for any repairs, unless the repairs are required by the buyer's lender. Since the cost of any repairs or treatments will affect the NET proceeds on the sale, it is critically important that ALL inspections be completed within 10 days of contract acceptance by the Seller. This will allow the third-party(s) involved to consider the cost of any repairs as a cost of the sale. A valid and properly filled out LSR/Proof of Funds, the AAR "As-IS" addendum, the AAR "Short Sale Addendum" and a Realty Executives Mold Disclosure are required with all offers; for your convenience, the REAX Mold Disclosure is downloaded on MLS as a DOCUMENT.

**Appraisals** If your offer is contingent upon obtaining an appraisal, we will require that your appraisal be completed within 10 days of acceptance of your offer.

**How long will the third-party approvals take?** Third party contract review and response times vary by lender and the particular circumstances. Some of these circumstances include: Internal policies of the third-party, their current workload, whether or not PMI/MIP are involved, whether an independent appraisal or BPO (Broker Pricing Opinion) is required, how close are we to the Trustee Sale date, etc... Generally there is no way for me to determine or even estimate the time lines for the final approvals to be received; once we submit the offer to the third-party(s), the approval process and steps required are totally out of my control. However in my experience in selling short-sales, it could take several weeks and on a few rare occasions, it could take a month or longer. I will do everything possible to keep our short-sale file moving through the system and I will keep you informed of the progress. Your patience is appreciated – and if you expect your Buyer client to stay in the deal, you will have to be constantly updating, and re-assuring, your client as well.

**If at any time you would like to speak with me or my negotiator partner, please don't hesitate to contact me.** I have partnered with Roxana Paredes of Magnus Title Agency; between the two of us we have successfully closed a number of short-sale transactions. Please note: At no time can we provide you with any third-party(s) contact information. Unless the Seller (the homeowner on title) authorizes you in writing to contact their lender, all communications with the third-party(s) must come from Roxana or me.

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**Escrow Company** To insure a smooth escrow process and to minimize any delays, it is very important that we use an escrow company and escrow officer that has extensive experience in dealing with lenders in short-sale transactions. In most cases, we already have a pre-lim title report completed by such escrow company. **PLEASE SPECIFY IN YOUR OFFER THE FOLLOWING TITLE COMPANY: Magnus Title Agency, 21410 N 19th Ave #139, Phoenix, AZ 85027. Office: 602-792-1066 - Fax: 602-682-3459-**

**Seller's Property Disclosure (SPDS)** A SPDS will be provided to your buyer client at any time – even prior to writing an offer if requested. FYI: When possible, most times the SPDS has been downloaded as a DOCUMENT on MLS.

**Insurance Claims History (CLUE)** Insurance claims history (CLUE reports) will be provided once we have obtained lender final approval.

**Commissions** *As of June 23, 2009, ARMLS has again rolled out new rules regarding commissions on Short Sales.* Per the new ARMLS Rules, the offering on MLS must be paid to the cooperating broker once an offer is submitted. We will continue to list all SS listings with a Co-Broke amount of 2.5% of final sales price. With this new rule and with the banks paying less than a traditional commission amount, we will still offer a co-broke of 2.5% and we will pay 2.5% Co-Broke at COE – PERIOD!

**Check List for the Ideal Offer:**

- **Seller Concessions (if any)** – Entered on the Contract in an exact Dollar amount; not as a percentage, to be paid at successful COE. No upfront out of pocket expenses are to be incurred by the Seller such as an appraisal.
- **Recommended verbiage on page 7 RE: Loan contingency & Appraisal** - Unfulfilled Loan Contingency and Appraisal contingency to be removed at end of 10-day inspection period.
- **HOA Addendum** – If the property is part of an HOA, please make sure you have included and incorporated the AAR HOA Addendum as part of the Purchase Offer.
- **As-Is Addendum** – Please include the As-Is addendum as this property is being sold As-Is. Incorporate this addendum into the Purchase Offer.
- **Short-Sale Addendum** – Please use the most recent revision of the Short Sale addendum. Incorporate this addendum into the Purchase Offer.
- **Loan Status Report (LSR)** – All offers must include a Buyer and Loan Officer signed/dated LSR. Make sure that the loan officer has completed a FULL PRE-QUALIFICATION (items 1-4 on the LSR) prior to submitting the offer. Further: make sure that the contact info for the Loan Officer is supplied and is legible.
- **Agency Election & Disclosure** – To be supplied with all offers.

These instructions are critical – and must be adhered to as closely as possible. Keep in mind, we ALL want this deal to close - therefore, along with your adherence to these instructions, and factoring in that we will only accept a properly and completely filled out offer fm Buyers Agents **that have followed these instructions**, Roxana and I have a good success rate in closing Short Sale deals. We won't waste your time – we ask the same consideration. Fair enough?

To repeat: If at any time you would like to speak with me or my negotiator partner, please don't hesitate to contact me at 623-412-0600 or via email: [garyedick@gmail.com](mailto:garyedick@gmail.com).

Yours for Success,

**GARY R. EDICK**, PLC CBR - Associate Broker

**"The EATON Team"**

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