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The 7 Secrets to Closing Successful Short Sales

1. Establishing a Relationship with the Homeowner

From the initial contact to the actual meeting, keep in mind the homeowner's distress. Explain all possible options to the homeowner as well as the benefits and downside of a short sale. Speak and act in a sincere, concise, and sympathetic manner. Do not guarantee an approval!

2. Qualifying the Property for a Short Sale

Find out how long the seller has been defaulting, whether there has been a Notice of Default (NOD) issued yet or if the Trustee Sale (NOTS) date has been already set. Prepare & analyze the Comps of the area. Evaluate the reasons for seller's Financial Hardship. Establish the exact amounts of all liens encumbering the property (we recommend ordering an O & E Report prior to the meeting). Observe & note the condition of the property. Take pictures if necessary.

3. Gathering the Necessary Paperwork

The seller must sign the following: Authorization to Release Financial Information, Authorization to Access Property, All Pertinent Listing Documents, Disclosures explaining the effects of a short sale; & promise to cooperate in a timely manner throughout the entire short sale process.

4. Obtaining Offers, Multiples & Back-ups

Price the home based on the current market value, not the amount of the current mortgage(s)! Do not over-price the property! When speaking with potential buyers and their agents, explain the likelihood of an extended escrow, use proper verbiage and disclosures. Open escrow and obtain the HUD-1 right away! Make sure to take back-up offers while the best offer is in escrow.

5. Preparing a Remarkable Short Sale Package

Write out an organized, concise summary letter. Note the loan# on every page of the package. Attach all relevant paperwork from your seller proving his or her hardship. Submit a BPO in addition to the comparables of the area. Submit a concise HUD-1 Net Sheet displaying all the fees. Remember, in order to avoid any surprises right before the day of closing, it is better to over-estimate rather than under-estimate when it comes to the Short Sale HUD-1!

6. Negotiating with All Lienholders

Submit individual packages to each bank and request payoffs from both. Meet the BPO(s) to facilitate the short sale process. Challenge BPO(s) if necessary. Keep very detailed notes!

7. Communicating with the Key Parties of the Transaction

Proper follow-up with all lien holders, BPO(s), buyer/buyer's agent, seller, buyer's lender, appraiser, and your title company is necessary to ensure a smooth and seamless closing.

For more information, visit us online at www.AdvancedShortSales.com