

From a Webinar we attended 12/18/2012 hosted by Alex Charfen and the US Treasury's Laurie Maggiano.

HAFAs

For additional information [www.cdpe.com/hafa](http://www.cdpe.com/hafa)

Changes effective February 1, 2013

Required documents (neither require Borrower signature):

- SSN – Short Sale Notice – will be mailed to the Borrower from the Bank
- ARSS – Acknowledgement Request of Short Sale – will be mailed to Borrower from Bank

Agents should List property and get in touch with the Lender immediately

Approval must now be given or not within 30 days of offer & supporting document submission

Pre-determined hardship – does not require letter from Borrower but will require signature at closing

- More than 90 days delinquent on payments
- Less than a 620 credit score

(Less than 90 days delinquent and/or over 620 credit score will require a hardship form from Borrower with offer submission or with pre-approved Short Sale request

You can be approved without a financial hardship. Request must be made with the following information:

- Nature of hardship (health, loss of job, divorce, death, reduction of income, etc)
- Desire to keep or sell the property
- Owner or Tenant occupied
- Number of properties you own
- Have you declared Bankruptcy
- Have you done a loan modification

Borrowers and Tenants are eligible for relocation incentives (\$3000) as long as they are vacating the property

HAFAs will be signed at closing:

- Must be an arms length transaction
- All conditions of the sales agreement must be disclosed (no side deals allowed)
- No funds can go back to Borrower beyond relocation incentives
- All parties will vacate property

Lender will negotiate all subordinate liens – will pay up to \$5000

Re-Sale of short sale now allowed after 30 days, however, cannot sell for more than 120% of the Short Sale amount from 31- 90 days after Short Sale

Lender may require Borrower to make partial payments during Short Sale process not to exceed 31% of income

As of January 1, Debt Forgiveness is gone. Borrower will have to pay tax on forgiven debt unless Borrower is insolvent.

Agents cannot purchase their own listed short sales