

Dear Homeowner,

Thank you for choosing The Farida Chapman Short Sale Team to help with your current property needs. We would like to introduce ourselves and give a brief explanation about the short sale process. If at any time you have any questions about the status of your sale, please don't hesitate to call us.

For starters, we appreciate the time you took to understand the short sale information in this document and will begin the listing process right away. Included in this packet is general information that may help you understand the benefits of a short sale. Please take some time to read these items so that you can feel confident in this process.

Additionally, there is a list of items that are required by the banks when we submit/apply for a Short Sale. Please visit our website www.fchapman.com under "Short Sale" and download the *Short Sale Package* file to make it easy to track down everything that you need to complete. Please try to get all of the listed documents to us as soon as possible, as we cannot submit a proposal that is incomplete.

We will work with all of the appropriate parties to get all needed documentation and information, so that when we receive an acceptable offer we can send the proposal over to the lien holder(s) for approval.

If you have any questions regarding the list of required documents, please do not hesitate to contact us.

Sincerely,

Farida Chapman Short Sale Team

Phone: 925-784-2524

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Credit Implications-

- Generally with a Short Sale, your credit will be less affected than if the property is foreclosed on. There are many factors to consider, so we strongly recommend speaking to a credit counseling specialist to determine how this could directly affect your credit score.
- A property qualifies for a Short Sale when the subject property is worth less than what the current market value is. This simply means that the Bank(s) is being asked to accept a lesser amount on the note. We will request that the Bank(s) forgive the deficiency balance (balance owed) during the negotiation process. If the Bank(s) agree to this request, you will not be expected to repay the deficiency balance and will have a settled account on your credit report.
- We strive to get the ***best*** possible terms for you and always work for full forgiveness of the deficiency balance. Sometimes a secondary loan, HELOC loan, or recourse loan can be very difficult to get full settlement for, but we are often successful in negotiating full settlement on these types of loans. Although we can never make any guarantees, we will always guide you in your best interests. We can guarantee that you will never be pressured to agree to terms that are not acceptable to you. Additionally, we suggest that you seek the advice of a tax consultant and/or attorney.

To possibly help expedite the recovery of your credit, we also suggest contacting a reputable credit repair specialist. Time, appropriate credit usage, and diligent timely payments will allow for the full recovery of your credit.

The Farida Chapman Short Sale Team

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DO YOU KNOW ...all the benefits of a Short Sale?

A foreclosure can affect a homeowner in the following ways:

- Their ability to get a job and/or keep their current job. **Short Sale does not affect.**
- Foreclosure is the most challenging issue against a security clearance outside of a conviction of a serious misdemeanor or felony. **Short Sale does not affect.**
- They lose the ability to purchase a Fannie Mae loan for 5 years for primary and 7 years for non primary residence. **Short Sale is 2 years.**
- On any future 1003 application they will have to answer yes to the foreclosure question, and will affect their credit rate. **Short Sale is not mentioned on the form.**
- Their credit score may be lowered from 250–300 points greater than the affect of the bankruptcy and will take longer to recover the credit score than after a typical bankruptcy. With proper credit usage and timely payments, a Short Sale negotiated well will cause NO future damage to credit score.

Who can you turn to?

Our team negotiates for both sellers and buyers for properties in different areas in the East Bay. We are experienced in helping sellers as well as buyers in making the Short Sale transactions work and to make sure everyone's expectation and interests are represented. Our success rate is over 95%. As the local team of choice for negotiating of Short Sale, we stay current on all of the local and Federal laws governing Short Sales so that we may provide the best information and outcome for our clients.

Our Mission.

It is our mission to procure the best terms for our clients. We take every avenue to see that every possible issue has been addressed and that the terms are agreeable. We never pressure our clients. We are here as their advocate and strive to achieve the best end result at all times.

Pre-Foreclosure Transaction DISCLOSURE STATEMENT

It is important that you understand this real estate transaction completely. Please read the following thoroughly.

This transaction is dependent upon our ability to negotiate with your mortgage lender(s) and their acceptance of less than what is currently owed on your loan(s). If applicable, this transaction is also dependent on additional lenders (equity loans etc.) accepting less than they are owed.

We are not making payments on the loan(s). We are not bringing the loan(s) current. We are not guaranteeing to stop the foreclosure. We are acting as a real estate agent for the purpose of selling your home. We WILL use all reasonable efforts and approaches to help you.

At the time of this disclosure, we are not representing that we have any agreement with your lenders, nor do we guarantee to enter into an agreement with them. Additionally, our decision to conclude this transaction depends upon our successful negotiation with the lenders(s). This means that we will use our best efforts to complete the transaction, but cannot guarantee that we will stop the foreclosure. It is also possible and likely that we will require effort and information on your part to conclude this transaction successfully.

If negotiations are unsuccessful, if the lenders(s) refuse to honor their agreement(s) to discount the loans or we do not close and the property does go to foreclosure sale, you agree to hold us, our agents, assistant, successors, heirs, executors, assigns, administrators, and all other persons, corporations, firms, associations or partnerships(everyone!) harmless of any and all claims, actions, causes of action, demands, rights, damages, costs, expenses and compensation whatsoever. In other words, we're going to do the best we can. If we are unsuccessful, we will shake hands and wish each other the best. There will be no further action on either of our parts.

There is a possibility that this transaction might result in a taxable event for you. Check with your tax counsel. In some cases, the lender may release the property for sale, but might want you to pay the difference of what is owed and what they accept as a payoff. You will not receive any cash from this transaction.

In order to facilitate this transaction, you will need to provide us with some documents as required by us and your lender. They may include, but not be limited to proof of transfer of ownership (i.e. the deed to the property), financial statements, bank and income statements, tax returns and employment information.

We want you to understand this information so you can be comfortable with your decision to do business with us. If you are unsure or unclear about what you're doing, DO NOT SIGN any documents.

Read, agreed and understood:

Seller

Date

Seller

Date

Agent

Date

Home Marketing and Pricing Strategies

Circumstances

Not in default but can no longer pay

Just received notice of default

Marketing Strategy

Price at Market Value for 30 days as supported by market analysis.

Drop the price by 10% after 30 days. Seller's lender needs to see a listing History of at least 60-90 days near Market value.

Perform new market analysis and Reduce price to 10-15% below market Value and keep it there for 30 days.

Notes:

1. All pricing and subsequent price reductions need to be supported by a Current Market Analysis.
2. Market Analysis must follow Broker's Price Opinion guidelines as close as possible.
3. E-mail communications will be accepted as "written commitment" from seller to reduce price and written consent will be obtained from seller to have email communication act as true and binding contract for this purpose only. Should e-mail communications become necessary for negotiating purchase contract, separate consent will need to be obtained.

Seller Signature:

Date:

Seller Signature:

Date:

Listing Agent:

Date:

MULTIPLE OFFER PROCEDURE

(must be signed by all interested buyers before seller can counter any buyers)

Please complete before sending to buyers:

Property Address

SELLER NAME BUYER NAME Date

SELLER NAME BUYER NAME Date

In order to ensure that all parties have access to identical information, the Seller requires these instructions to be made available to all prospective selling agents immediately and that each selling agent and buyer acknowledges receipt by fax or email.

Seller’s standard procedure for Multiple Offers is:

1. Inform ALL parties that they are in a multiple offer situation. Property will remain on the market during all countering stages and until contract is executed by seller.
2. Each interested party is requested to submit their “best” offer in writing to the listing agent no later than _____ by 5 PM (verify by phone call or email).
3. Seller will accept or counter only the ONE offer, which Seller determines to be the best offer.
4. If buyer does not accept sellers’ counter offer within the time limit, Listing Agent may then notify all interested parties that the property is once again available.
5. In the event the first accepted purchase agreement does not result in a closed transaction, Listing agent will then notify all selling agents of the previously submitted offers that the property is once again available, and will invite new offers.
6. Listing agent will not disclose any information about terms of any offer or number of offers being presented, to buyers or buyers’ agents.
7. NO ESCALATION CLAUSES WILL BE ACCEPTED.
8. Offers will not be considered without a loan pre-approval letter OR proof of funds with each offer.

Selling agent – please sign below and have your buyer signed below to acknowledge receipt of this communication, and return to Listing agent by fax or email.

Receipt by Buyer Date

Receipt by Selling Agent Date

Receipt by Listing Agent Date