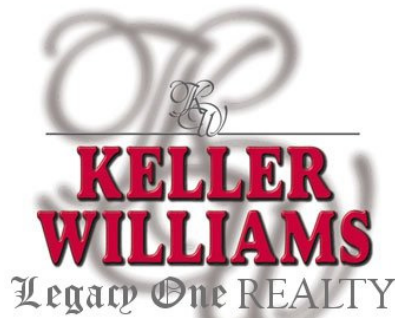


Short Sale Package

Certified Distressed Property Experts
Master Short Sale Negotiators



List of Documents

Short Sale Qualification Questions
Checklist of Required Homeowner's Documentation
MARS Disclosure
Authorization to Release Information
Authorization to Release Information – HOA
RMA
Financial Statement
FYI on Short Sales
Indemnity Agreement
Privacy Notice
Short Sale Seller Advisory
Hardship Letter Example
Seller Due Diligence

DOES NOT INCLUDE REQUIRED ALL BROKER DISCLOSURES AND LISTING AGREEMENTS WITH REAL ESTATE AGENT

Checklist of Required Homeowner's Documentation

We appreciate the opportunity to assist you in short selling your home, while improving your current and future financial stability. In order to get a short sale approved certain documentation listed below must be provided. After the required documentation is received I can start the process of negotiating the short sale request with your Lender(s).

Read All Information Provided

- Pay Stubs (a full month)
- Two Years Most Recent Tax Returns & W-2's
- Two Months Bank Statements (all pages)
- Mortgage Payment Coupon (s)
- Explanation of Hardship (Letter to Lender(s), signed & dated)
- Supporting Documents for Hardship
 - Letter of Termination/Layoff Notice
 - Job Relocation Letter
 - Unemployment Benefit Letter
 - Medical Bills
 - Death or Illness in Family Documentation
 - Divorce Decree/Separation Agreement
 - Child Support/Alimony Documents
 - Rate increase/Payment increase letter
 - Repair bills, etc
- Collection/Foreclosure Letters
- Sale Date Notice
- Financial Statement (attached)
- Homeowner's Questionnaire (attached)
- Authorization to Release Information (attached)
- Hardship Affidavit (attached)
- Indemnity Agreement (attached)
- Privacy Notice (attached)
- FYI on Short Sales (attached)



MARS DISCLOSURE

Mortgage Assistance Relief Services Disclosure

The following Disclosures are being made pursuant to the Federal Trade Commission's Mortgage Assistance Relief Services (MARS) Rules (16 C.F.R. Part 322).

Keller Williams Legacy One Realty is not associated with the government and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan.

You may stop doing business with us at any time with regard to our Short Sale Negotiation services, which are being provided to you as part of our Real Estate Brokerage Services.

You may accept or reject the offer of mortgage assistance we obtain from your lender or servicer. Whether you accept or reject the offer, you do not have to pay us a fee for our Short Sale Negotiation services. However, you may be obligated to pay us a commission for our Real Estate Brokerage Services as outlined in the Exclusive Right to List Agreement.

If you stop paying your mortgage, you could lose your home and damage your credit rating.

By signing below you are acknowledging receipt of a copy of the MARS Disclosure.

Seller

Date

Seller

Date

Broker (Agent)

Date

Keller Williams Legacy One Realty
3910 S Alma School Rd, Ste 1
Chandler, AZ 85248



SHORT SALE QUALIFICATION QUESTIONS

SELLERS NAME: _____ Phone # _____ BEST TIME TO CALL: AM PM ANYTIME

PROPERTY ADDRESS: _____ PRIMARY RESIDENCE: Y N INVESTMENT PROPERTY: Y N

HOW LONG HAVE YOU LIVED IN THE HOME: _____ YEARS _____ MONTHS

EMAIL ADDRESS: _____

HARDSHIP (circle one) Job Loss / Transfer Divorce Interest Rate / Payment Increase Other: _____

OWNER-OCCUPIED Y N TENANT- OCCUPIED Y N

CONSULTED WITH TAX ADVISOR Y N LEGAL ADVISOR Y N CREDIT ADVISOR Y N

FILING BANKRUPTCY Y N

TRUSTEE SALE Y N DATE: _____

BEHIND ON PAYMENTS: Y N NUMBER OF MONTHS: _____

FIRST MTG. COMPANY: _____ APRX BALANCE: _____

SECOND MTG COMPANY: _____ APRX BALANCE: _____

HELOC / LINE OF CREDIT: Y N

IS THIS THE ORIGINAL LOAN YOU PURCHASED THE HOME WITH: Y N

HOA: Y N CURRENT ON PAYMENTS: Y N

TYPE OF LOAN (S): CONV FHA VA

LEINS OTHER THAN PROPERTY TAXES: Y N If yes, for what: _____

*SELLER(S) WILLING TO:

- | | | |
|---|---|---|
| PREPARE HOME FOR SALE | Y | N |
| MAINTAIN YARD, POOL, ETC | Y | N |
| MAINTAIN UTILITIES | Y | N |
| SIGN DEFICENCY JUDGEMENT/PROMISSARY NOTE | Y | N |
| ATTEMPTED TO NEGOTIATE A LOAN MOD WITH LENDER | Y | N |

Questions that you have regarding a short sale:

SELLER SIGNATURE: _____ Date: _____

SELLER SIGNATURE: _____ Date: _____

**Making Home Affordable Program
Request For Modification and Affidavit (RMA)**



REQUEST FOR MODIFICATION AND AFFIDAVIT (RMA) page 1

COMPLETE ALL THREE PAGES OF THIS FORM

▶ Loan I.D. Number _____

▶ Servicer _____

BORROWER	CO-BORROWER
Borrower's name	Co-borrower's name
Social Security number Date of birth	Social Security number Date of birth
Home phone number with area code	Home phone number with area code
Cell or work number with area code	Cell or work number with area code

I want to:	<input type="checkbox"/> Keep the Property	<input type="checkbox"/> Sell the Property
The property is my:	<input type="checkbox"/> Primary Residence	<input type="checkbox"/> Second Home <input type="checkbox"/> Investment
The property is:	<input type="checkbox"/> Owner Occupied	<input type="checkbox"/> Renter Occupied <input type="checkbox"/> Vacant

Mailing address	
Property address (if same as mailing address, just write same)	E-mail address

<p>Is the property listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Have you received an offer on the property? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Date of offer _____ Amount of offer \$ _____</p> <p>Agent's Name: _____</p> <p>Agent's Phone Number: _____</p> <p>For Sale by Owner? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Have you contacted a credit-counseling agency for help? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If yes, please complete the following:</i></p> <p>Counselor's Name: _____</p> <p>Agency Name: _____</p> <p>Counselor's Phone Number: _____</p> <p>Counselor's E-mail: _____</p>
--	--

<p>Who pays the real estate tax bill on your property?</p> <p><input type="checkbox"/> I do <input type="checkbox"/> Lender does <input type="checkbox"/> Paid by condo or HOA</p> <p>Are the taxes current? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Condominium or HOA Fees <input type="checkbox"/> Yes <input type="checkbox"/> No \$ _____</p> <p>Paid to: _____</p>	<p>Who pays the hazard insurance premium for your property?</p> <p><input type="checkbox"/> I do <input type="checkbox"/> Lender does <input type="checkbox"/> Paid by Condo or HOA</p> <p>Is the policy current? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Name of Insurance Co.: _____</p> <p>Insurance Co. Tel #: _____</p>
--	--

<p>Have you filed for bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 13 Filing Date: _____</p> <p>Has your bankruptcy been discharged? <input type="checkbox"/> Yes <input type="checkbox"/> No Bankruptcy case number _____</p>

Additional Liens/Mortgages or Judgments on this property:

Lien Holder's Name/Servicer	Balance	Contact Number	Loan Number

HARDSHIP AFFIDAVIT

I (We) am/are requesting review under the Making Home Affordable program.
I am having difficulty making my monthly payment because of financial difficulties created by (check all that apply):

<input type="checkbox"/> My household income has been reduced. For example: unemployment, underemployment, reduced pay or hours, decline in business earnings, death, disability or divorce of a borrower or co-borrower.	<input type="checkbox"/> My monthly debt payments are excessive and I am overextended with my creditors. Debt includes credit cards, home equity or other debt.
<input type="checkbox"/> My expenses have increased. For example: monthly mortgage payment reset, high medical or health care costs, uninsured losses, increased utilities or property taxes.	<input type="checkbox"/> My cash reserves, including all liquid assets, are insufficient to maintain my current mortgage payment and cover basic living expenses at the same time.
<input type="checkbox"/> Other:	

Explanation (continue on back of page 3 if necessary): _____

INCOME/EXPENSES FOR HOUSEHOLD¹

Number of People in Household:

Monthly Household Income		Monthly Household Expenses/Debt		Household Assets	
Monthly Gross Wages	\$	First Mortgage Payment	\$	Checking Account(s)	\$
Overtime	\$	Second Mortgage Payment	\$	Checking Account(s)	\$
Child Support / Alimony / Separation ²	\$	Insurance	\$	Savings/ Money Market	\$
Social Security/SSDI	\$	Property Taxes	\$	CDs	\$
Other monthly income from pensions, annuities or retirement plans	\$	Credit Cards / Installment Loan(s) (total minimum payment per month)	\$	Stocks / Bonds	\$
Tips, commissions, bonus and self-employed income	\$	Alimony, child support payments	\$	Other Cash on Hand	\$
Rents Received	\$	Net Rental Expenses	\$	Other Real Estate (estimated value)	\$
Unemployment Income	\$	HOA/Condo Fees/Property Maintenance	\$	Other _____	\$
Food Stamps/Welfare	\$	Car Payments	\$	Other _____	\$
Other (investment income, royalties, interest, dividends etc.)	\$	Other _____	\$	Do not include the value of life insurance or retirement plans when calculating assets (401k, pension funds, annuities, IRAs, Keogh plans, etc.)	
Total (Gross Income)	\$	Total Debt/Expenses	\$	Total Assets	\$

INCOME MUST BE DOCUMENTED

¹Include combined income and expenses from the borrower and co-borrower (if any). If you include income and expenses from a household member who is not a borrower, please specify using the back of this form if necessary.

²You are not required to disclose Child Support, Alimony or Separation Maintenance income, unless you choose to have it considered by your servicer.

INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the federal government in order to monitor compliance with federal statutes that prohibit discrimination in housing. **You are not required to furnish this information, but are encouraged to do so. The law provides that a lender or servicer may not discriminate either on the basis of this information, or on whether you choose to furnish it.** If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, the lender or servicer is required to note the information on the basis of visual observation or surname if you have made this request for a loan modification in person. **If you do not wish to furnish the information, please check the box below.**

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be completed by interviewer

This request was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet	<i>Interviewer's Name (print or type) & ID Number</i>	<i>Name/Address of Interviewer's Employer</i>
	<i>Interviewer's Signature Date</i>	
	<i>Interviewer's Phone Number (include area code)</i>	

ACKNOWLEDGEMENT AND AGREEMENT

In making this request for consideration under the Making Home Affordable Program, I certify under penalty of perjury:

1. That all of the information in this document is truthful and the event(s) identified on page 1 is/are the reason that I need to request a modification of the terms of my mortgage loan, short sale or deed-in-lieu of foreclosure.
2. I understand that the Servicer, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements and may require me to provide supporting documentation. I also understand that knowingly submitting false information may violate Federal law.
3. I understand the Servicer will pull a current credit report on all borrowers obligated on the Note.
4. I understand that if I have intentionally defaulted on my existing mortgage, engaged in fraud or misrepresented any fact(s) in connection with this document, the Servicer may cancel any Agreement under Making Home Affordable and may pursue foreclosure on my home.
5. That: my property is owner-occupied; I intend to reside in this property for the next twelve months; I have not received a condemnation notice; and there has been no change in the ownership of the Property since I signed the documents for the mortgage that I want to modify.
6. I am willing to provide all requested documents and to respond to all Servicer questions in a timely manner.
7. I understand that the Servicer will use the information in this document to evaluate my eligibility for a loan modification or short sale or deed-in-lieu of foreclosure, but the Servicer is not obligated to offer me assistance based solely on the statements in this document.
8. I am willing to commit to credit counseling if it is determined that my financial hardship is related to excessive debt.
9. I understand that the Servicer will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. I understand and consent to the disclosure of my personal information and the terms of any Making Home Affordable Agreement by Servicer to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Homeowner Affordability and Stability Plan; (c) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies that perform support services in conjunction with Making Home Affordable; and (e) any HUD-certified housing counselor.

Borrower Signature	Date
Co-Borrower Signature	Date

HOMEOWNER'S HOTLINE

If you have questions about this document or the modification process, please call your servicer.

If you have questions about the program that your servicer cannot answer or need further counseling, you can call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673). The Hotline can help with questions about the program and offers free HUD-certified counseling services in English and Spanish.



NOTICE TO BORROWERS

Be advised that by signing this document you understand that any documents and information you submit to your servicer in connection with the Making Home Affordable Program are under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income, expenses, or assets will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution. By signing this document you certify, represent and agree that:

“Under penalty of perjury, all documents and information I have provided to Lender in connection with the Making Home Affordable Program, including the documents and information regarding my eligibility for the program, are true and correct.”

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by calling 1-877-SIG-2009 (toll-free), 202-622-4559 (fax), or www.sig tarp.gov. Mail can be sent to Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L St. NW, Washington, DC 20220.





BORROWERS AUTHORIZATION TO RELEASE LOAN INFORMATION

Borrower(s): _____

Address: _____

Lender (1st): _____ Loan # _____

Lender (2nd): _____ Loan # _____

I (we), the undersigned hereby authorize you to release information regarding the above referenced loan to _____ and Julie Gallego with Keller Williams Legacy One Realty and Beth Ramirez or any agent with Security Title Agency . This authorization allows the above referenced individual to receive information regarding my loan, payoff amounts and fees, duplicates of any notices sent to me and has my authorization to inquire and negotiate on my behalf. This authorization remains in effect until revoked in writing.

Borrower Signature Date

Date of Birth

SSN

Borrower Signature Date

Date of Birth

SSN

Realtor Information

Julie Gallego /
Keller Williams Legacy One Realty
3910 S Alma School Rd, Ste 1
Chandler, AZ 85248
Cell: 602.690.9259
e-fax: 888.600.3470



SELLER(S) AUTHORIZATION TO RELEASE HOA INFORMATION

Seller(s): _____

Address: _____

Homeowners Association: _____

Lot # _____

I (we), the undersigned hereby authorize you to release information regarding the above referenced property to _____ and Julie Gallego with Keller Williams Legacy One Realty and Beth Ramirez or any agent with Security Title Agency . This authorization allows the above referenced individual to receive information regarding my account including a schedule of fees: disclosures, transfer fees, community reserves, working capital, asset preservation, capital reserves, special assessments, fines, liens or any other fees that are pertinent in the sale of the referenced property, and has my authorization to inquire and negotiate on my behalf. This authorization remains in effect until revoked in writing.

Seller Signature

Date

Lot # / Account #

Seller Signature

Date

Lot # / Account #

Realtor Information

Julie Gallego /
Keller Williams Legacy One Realty
3910 S Alma School Rd, Ste 1
Chandler, AZ 85248
Cell: 602.690.9259
e-fax: 888.600.3470

FINANCIAL STATEMENT

Borrower Information

Name	Social Security Number
Name	Social Security Number
Home Telephone Number	Work Telephone Number

Address Information

Home Address
Property Address (if different)

Assets/Liabilities

Description	Est. Value	Amount Owed	Net Value
Primary Home	\$	\$	\$
Other Home	\$	\$	\$
Auto	\$	\$	\$
Auto	\$	\$	\$
Checking/Savings	\$	\$	\$
Boats	\$	\$	\$
Cash Value of Life Ins	\$	\$	\$
Collections	\$	\$	\$
Computers	\$	\$	\$
IRA Accounts	\$	\$	\$
401k/ESOP Accounts	\$	\$	\$
Stocks/Bonds/CDs	\$	\$	\$
Trailers	\$	\$	\$
IRS Liens	\$	\$	\$
Other Investments	\$	\$	\$
Other Investments	\$	\$	\$
TOTAL	\$	\$	\$

Income

Description	Borrower	Co-Borrower	Total
Net Income Job 1	\$	\$	\$
Net Income Job 2	\$	\$	\$
Child Support/Alimony	\$	\$	\$
Retirement/Pension	\$	\$	\$
Social Security/Disability	\$	\$	\$
Rental Income	\$	\$	\$
Other	\$	\$	\$
TOTAL	\$	\$	\$

Expense Information

Category	Description	Monthly Payment	Balance Due	Delinquent (Y/N)	
Monthly Payments					
	Mortgage 1	\$	\$	Y	N
	Mortgage 2	\$	\$	Y	N
	Alimony/Child Support	\$	\$	Y	N
	Child Care	\$	\$	Y	N
	HOA Fees	\$	\$	Y	N
	Property Insurance	\$	\$	Y	N
	Property Tax	\$	\$	Y	N
Loans					
	Auto	\$	\$	Y	N
	Auto	\$	\$	Y	N
	Furniture/Appliances	\$	\$	Y	N
	Student Loans	\$	\$	Y	N
	Personal Loans	\$	\$	Y	N
	Other	\$	\$	Y	N
Credit Cards					
	#1	\$	\$	Y	N
	#2	\$	\$	Y	N
	#3	\$	\$	Y	N
	#4	\$	\$	Y	N
Utilities					
	Electricity	\$	\$	Y	N
	Gas	\$	\$	Y	N
	Telephone	\$	\$	Y	N
	Cellular	\$	\$	Y	N
	Water	\$	\$	Y	N
	Trash/Sewer	\$	\$	Y	N
	Internet	\$	\$	Y	N
	Cable	\$	\$	Y	N
Insurance					
	Auto	\$	\$	Y	N
	Health	\$	\$	Y	N
	Life	\$	\$	Y	N
Dues					
	Club	\$	\$	Y	N
	Union	\$	\$	Y	N
Medical					
	Medical Bills/Co-pays	\$	\$	Y	N
	Prescriptions	\$	\$	Y	N
Car					
	Gasoline/Maintenance	\$	\$	Y	N
	Monthly Parking	\$	\$	Y	N
Food		Monthly Payment	Balance Due		
	Groceries	\$	\$		
	School or Work Lunches	\$	\$		
Clothing	Dry Cleaning	\$	\$		

Misc.		
Spending Money/Entertainment	\$	\$
Animal Care	\$	\$
Clubs, Sports & Hobbies	\$	\$
Vacations	\$	\$
Education/Tuition	\$	\$
Household Supplies	\$	\$
Church/Charitable Contributions	\$	\$
Savings		
Savings Bond	\$	\$
Credit Union	\$	\$
Bank	\$	\$
TOTAL	\$	\$

Recap

Item	Current
Total Income	\$
Total Expenses	\$
Difference	\$

I agree that the financial information provided is an accurate statement of my financial status. I understand and acknowledge that any action taken by the lender of my mortgage loan on my behalf will be made in strict reliance to the financial information provided.

Submitted this _____ day of _____, 20_____.

BY _____ / /
Signature of Borrower **Date**

BY _____ / /
Signature of Borrower **Date**

Final Instructions

- Review the Financial Worksheet to make sure it is correct.
- Make sure you have signed and dated the form.
- Be sure you have your last two years' federal tax returns with all attachments.
- Be sure you have copies of two recent pay stubs for all wages and salaries reported.
- Make copies of everything and keep them for your records.

FYI on Short Sales

The following is a condensed version of the most popular questions a seller may have on short sales. As a REALTOR®, we are not licensed as a lawyer or a CPA and cannot advise on all matters of the short sale process. Please obtain advice from a competent real estate lawyer on legal issues and discuss with your accountant on the tax ramifications that may be unique to your specific situation. Please refer to previous pages in this packet for a list of attorneys and tax advisors.

What is a short sale?

A short sale, also known as a short pay or short payoff, allows a homeowner to sell their property for less than the amount owed to the bank. When the market value of the property is less than the amount owed, the owner is considered up-side-down. The proceeds from the sale are used to pay-off the outstanding amount of the mortgage. Although the proceeds will be “short” amount actually owed on the mortgage, it allows a homeowner the opportunity to avoid foreclosure. Ultimately it may put their credit standing in a better position than if an actual foreclosure were to take place. The entire process hinges on the approval of the lender to accept less than the amount due.

What are the credit implications to a short sale?

The property owner's credit could be negatively and severely affected. Here is why. Say the homeowner owes \$100,000 on the foreclosed property, but the lender only gets \$70,000 from the sale. The lender can then sue the homeowner for the \$30,000 difference. But, the homeowner won't have the \$30,000. If he did, he most likely wouldn't have gone into foreclosure in the first place. If the lender chooses to sue and the homeowner cannot pay; a deficiency judgment would appear on the homeowner's credit report, negatively affecting the homeowner's credit (*At present, Arizona has an anti-deficiency law whereas a borrower has protection against a deficiency Judgment.*)

In some cases, the bank chooses not to sue, but to take the loss as a **tax write-off**. In this case, there would be no deficiency judgment on the homeowner's credit report; however, there is another implication. The \$30,000 that the homeowner did not have to pay would be considered by the IRS to be income. The lender can send a 1099c to the homeowner at the end of the year, and the homeowner could be required to pay taxes on that \$30,000. Even when the bank chooses not to sue, the foreclosure can end up showing up in credit checks because it is a public record.

What information will the bank need to decide whether to accept a short sale?

The sellers' submission package should include W-2 forms from employers (or a letter explaining the seller is unemployed), bank statements, two years of tax returns, and other financial documents outlining income and debt obligations. The bank will also need comps or a broker's price opinion showing your estimate of value. In addition, the sellers should submit a “hardship letter,” explaining the circumstances that make it impossible for them to pay the full amount of the loan. The seller needs to be able to show true financial hardship. Someone with the assets or the income to pay is unlikely to be considered.

What are the options besides a short sale?

Thanks to programs such as those proposed by Fannie Mae and Freddie Mac to assist sub-prime borrowers, many lenders are more willing to offer loan modification options. This option can extend the term of the loan, add on delinquent payments to the loan principal, and/or reduce the interest rate to make the loan more manageable for the home owner. Another option is a repayment plan that requires home owners to increase their monthly payments until the loan is current.

Loan Resolution (Loss Mitigation) Options:

Repayment Plan:

A repayment plan distributes the homeowner's delinquent payments over a period of time, usually no more than 10 months. The monthly amount is added to the usual mortgage payment. This brings the account up-to-date within a specified time-frame. With a goal in sight, the owner can move forward knowing that the home is secure.

Forbearance Plan:

An agreement to temporarily allow a homeowner to pay less than the actual amount due on their mortgage or it will suspend payments entirely the forbearance period. More commonly associated with Fannie Mae, Freddie Mac, FHA, and VA. Each has various requirements a homeowner must meet, it is very situation specific so the homeowner should contact the lender directly to see if forbearance is an option. The goal is to put the homeowner back on track to resume full regular payments.

Loan Modification:

A loan modification applies any past-due interest and escrow amounts to the unpaid principal balance, which is then re-amortized over a new term. Giving the owner a fresh start on managing their loan and brings the account up-to-date immediately. There are many requirements; the homeowner must contact the servicing lender for details of their individual circumstances.

Partial Claim (only for FHA loans):

The Department of Housing and Urban Development (HUD) advances a loan to repay the past due interest and escrow amounts. HUD loan is interest-free and brings the account up-to-date immediately.

Short Sale:

Allows the owner to sell the home and use the proceeds to pay off the mortgage if they are unable to maintain payments, even if the home's market value is less than the total amount owed. Avoids the lengthy legal process involved in foreclosure. **Generally, a short sale is less damaging to the credit rating than foreclosure.**

FHA Pre-Foreclosure/Short Sale Requirements:

The property is owner-occupied or reasonable circumstances exist if it is not, the loan is at least 2 months delinquent and can sell within 3 to 5 months. A new appraisal (obtained by your lender) shows that the value of your home meets HUD program guidelines. FHA does allow for short sales, contrary to some reports.

Deed In Lieu of Foreclosure:

Allow the owner to transfer the property voluntarily to the servicing bank if the seller is unable to maintain payments and cannot sell the home at market value. Avoids the lengthy legal process involved in foreclosure. May be as damaging to the credit rating as foreclosure (this option is a foreclosure and will be reported as such).

How should the property be priced in a short sale?

In general, most short sale experts say to price the property at or near fair market value, although a few will begin with the total payoff amount owned by the seller. How frequently prices are dropped will depend in part on whether the property is in pre-foreclosure. Most banks have a formula for what percentage under market value they will accept. Figures cited vary from 8 percent under to almost 20 percent under.

How long does it take to complete a short sale?

Although response times vary from lender to lender, it can take two weeks or as long as 90 days to receive an approval of a short sale from a lender. That’s why it’s critical that buyers and their representative understand and accept that time frame before they make an offer.

What can the seller and I do to make a short sale more attractive to a lender?

Getting a lender to approve a short sale is primarily a question of economics. You have to provide hard numbers to show that the amount of money a bank will realize on the short sale is better than the amount it may recoup from foreclosing on the property and selling the property. Other factors that can influence a bank’s decision include the liability risk it assumes by owning the property after foreclosures, the money tied up during the holding period for a foreclosure and REO resale, additional costs associated with an REO such as attorneys’ fees, and the additional reserves it will need if REO’s rise in the bank’s portfolio.

What are the seller’s options if a short sale is rejected by the lender?

There are a variety of reasons a bank will reject a short sale — from too low a price to too many files on the loss mitigation’s desk. You can look for another buyer or even try resubmitting the same contract. **Banks don’t want to take properties back in foreclosure**, so they are going to do everything they can to make it work. Keep in mind that throughout the process there is the possibility of foreclosure.

What tax liabilities will a seller have as a result of a short sale?

Again, one often overlooked aspect of short sales is that a seller must count any amount forgiven by the lender as income and pay taxes on that income, even if no actual money was received. The IRS requires lenders to submit a Form 1099 stating the forgiven amount. Sellers who meet the Internal Revenue Service definition of insolvency (either in bankruptcy or with debts exceeding assets w/o bankruptcy) will not have to pay taxes on the forgiven amount. See IRS Form 982 for this exclusion. Lenders may submit a Form 1099 for a foreclosure as well, which many of the same principles will apply. **Ask your CPA for all details.**

Credit Reporting;

Credit scores are going to suffer: there is no way around that. There are just way too many variables going into the credit score to know the actual effect of a short sale. The loan will show on the credit report as “Paid,” however, in most cases it will also note, “Settled for less than amount owed.” Depending on how far behind on payments a borrower gets, it may also reflect as “Pre-foreclosure” on the credit report. Many lenders consider 90 day past due to be a foreclosure whether or not the property was formally sold by the bank. It would be a good idea to ask for the lenders policy on reporting short sales to the credit bureaus.

This disclosure does not list all possible repercussions of a short sale. It is designed for upfront disclosure only, individual circumstances may vary. Please obtain advice from a competent real estate lawyer on legal issues and discuss with your accountant on the tax ramifications that may be unique to your specific situation.

Printed Name of Homeowner

Signature of Homeowner

Date

Printed Name of Homeowner

Signature of Homeowner

Date



Indemnity Agreement

Seller(s) understand that the listing Agent will not provide Seller(s) with legal or tax advice. Seller(s) agree to seek independent legal and or tax counsel pertaining to the sale of their home. The Seller(s) shall contact an appropriate Real Estate Attorney and or Certified Public Accountant to obtain counsel relating to the implications and questions Seller(s) may have regarding the sale of their home. The Seller(s) acknowledge they have been given the opportunity and have been advised to discuss the transaction with independent qualified legal and tax counsel and have done so to the extent desired by Seller(s). Seller(s) furthermore acknowledge receipt of the AAR Short Sale Advisory and understand that it is for general information purposes only and not intended for legal or other professional services or advice.

Seller(s) is advised to review thoroughly the AAR Short Sale Addendum to the Listing Contract for:

- Short Sale Definition
- Creditor Considerations
- Tax Considerations
- Determining the Amount Owed
- Obtaining Creditor Approval
- Other Options

Seller(s) agree that there have been no guarantees, promises of a sale, no warranties implied or otherwise as to the timing of a sale, the sale price, and or any probability of sale made to the Seller(s) by the Listing Agent or Brokerage. Information provided to the Seller(s) is for informational purposes to assist Seller(s) in making an educated decision regarding the sale of their home. Information provided by the Listing Agent is only one source of information. Seller(s) should obtain independent qualified legal and tax counsel. Broker(s) and Agent(s) are not qualified to provide any legal or tax information regarding a short sale transaction.

Seller(s) hereby agree to hold Listing Agent and Brokerage harmless from any claims, demands, liabilities, actions, proceedings, judgments, fines or any other expense without limitations, that could have been investigated by Seller(s) prior, during or after the sale or expiration / cancellation of the short sale transaction for the property defined below.

Seller(s) agree by signing this release, Seller(s) are entering into the sales transaction voluntarily, and have been advised and given an opportunity to consider all alternatives regarding the sale of their home. Listing Agent has made no oral representations, statements or inducements to Seller(s) regarding the salability, terms, price, and or legal and tax consequences of sale.

_____ Seller(s) Signature	_____ Date	_____ Seller(s) Signature	_____ Date
_____ Property Address	_____ City	_____ State	_____ Zip Code
_____ Brokerage	_____ Listing Agent	_____ Date	



PRIVACY NOTICE

Keller Williams Legacy One's Commitment to Privacy

Your privacy is very important to us. To better protect your privacy we provide this notice about the way your information is collected and used. We are committed to assuring the privacy of individuals and or families who have contacted our Brokerage for assistance. We assure you that all of the information shared both verbally and in writing will be managed within our legal and ethical considerations. Your "personal financial information" will be provided to creditors and others with your specific written authorization.

We may disclose some or all of the information that we collect to creditors, or third parties that you have authorized, who need this information in order to assist you. We may disclose the following "non public" personal information about you:

- Name, Address, Phone Contacts, Fax Numbers, Email Address
- Financial Information
- Social Security Number
- Your Assets
- Your Tax Returns
- Your Bank Statements
- Account Balances
- Outstanding Liens
- HOA Information
- Hardship Letter

In our commitment to Data Security and to prevent unauthorized access, maintain data accuracy, and to ensure the correct use of information, we have put in place appropriate physical, electronic and managerial procedures to safeguard and secure the information we collect.

I hereby authorize Keller Williams Legacy One Brokerage and its agents to release all "non public" information it obtains about me as an individual and / or family to (1) my creditors and (2) any third parties necessary to resolve the matters discussed and furthermore release and authorize all my creditors to provide "non public" information about me to Keller Williams Legacy One Broker / Agents.

Seller Signature

Date

Seller Signature

Date



HOMEOWNER'S QUESTIONNAIRE

Borrower Name: _____ Social Security #: _____ DOB: _____

Co-Borrower Name: _____ Social Security #: _____ DOB: _____

Home Phone: _____ Alternative Phone: _____

Email Address (s): _____

Subject Property Address: _____

Mailing Address: _____

1st Mortgage Holder: _____ Account #: _____

Approximate Balance \$: _____ Is this an Original Purchase Loan?: _____

Month/Year Purchased: _____ Interest Rate %: _____

Is your rate approaching an adjustment, and if so what is the adjustment?: _____

2nd Mortgage Holder: _____ Account #: _____

Approximate Balance\$: _____ Is this an Original Purchase Loan?: _____

Was the loan used to purchase/refinance the home?: _____

If no, what was the loan used for?: _____

Month/Year Purchased: _____ Interest Rate%: _____

Is your rate approaching an adjustment, and if so what is the adjustment?: _____

Home Owner's Association (HOA) Name: _____

Management Company: _____ HOA Phone #: _____

HOA Monthly Dues: _____

Are you current on your HOA dues, and if not how much do you owe? _____

Are you current on your property taxes, and if not how much do you owe? _____

Are you current on your mortgage payments, and if not what is the last payment accepted by your mortgage lender (month/year)?: _____

Briefly explain your past payment history with your mortgage lender: _____

Have you ever been placed on a previous forbearance, loan modification, or any other work out agreement with your mortgage lender?: _____

If so please list the dates and details of the agreement: _____

Are you in Foreclosure at this time?: _____

If yes has an auction sale date been set?: _____ If yes what is the sale date?: _____

Have you ever filed Bankruptcy? If so, when did you file and what chapter? _____

Do you have any additional liens on subject property? _____

Printed Name of Homeowner

Signature of Homeowner **Date**

Printed Name of Homeowner

Signature of Homeowner **Date**



Short Sale Seller Advisory

ARIZONA DEPARTMENT OF REAL ESTATE

The Short Sale Seller Advisory is a resource for Real Estate Consumers Provided by the Arizona Association of REALTORS®

A short sale is a real estate transaction in which the sales price is insufficient to pay the loan(s) encumbering the property in addition to the costs of sale and the seller is unable to pay the difference. A short sale involves numerous issues as well as legal and financial risks. This Advisory is designed to address some of these issues and risks, but does not purport to be comprehensive.

BEFORE PROCEEDING WITH A SHORT SALE

1 Understand a Lender’s Options upon Loan Default

There are many types of loans that are secured by real property. These may be purchase loans, refinanced loans, home-equity loans, or one of the various other types of loans. The type of loan and type of property will determine what remedies a lender may have if the homeowner fails to make the agreed upon payments. The available remedies, the homeowner’s overall current or potential future financial strength, the lender’s cost in acquiring the loan and any shared-loss or similar agreement if the loan was acquired by purchase or merger, are some of the many factors that the lender may consider in deciding how to proceed when a loan is in default. For an overview of these issues, go to www.aaronline.com/AZR/Dec/09LoanDefaults.aspx

2 Be Aware of Predatory “Rescue” Scams & Short Sale Fraud

Homeowners worried about foreclosure may be susceptible to predatory “rescue” scams which may cost you money with no results, result in the loss of your home entirely, or involve you in a fraudulent scheme. For more information, go to www.efanniemae.com/utility/legal/antifraud.jsp or www.efanniemae.com/utility/legal/pdf/fraudnews/mortgagefraudnews0709.pdf

“Red Flags” of fraudulent schemes include:

- Guarantees to stop the foreclosure
- Large upfront fees
- Instructions not to contact the lender
- Transfer of title or lease of the property
- The proposed buyer is an LLC
- Requests that the homeowner execute a power of attorney
- The proposed buyer, at the buyer’s sole expense, retains a third party to negotiate the short sale for the seller’s benefit.



SELLER	SELLER

Short Sale Seller Advisory

BEFORE PROCEEDING WITH A SHORT SALE (CONTINUED)

3 Report suspected scams

- Financial Fraud Enforcement Task Force www.stopfraud.gov/
- HUD, in partnership with the Loan Modification Scam Prevention Network www.preventloanscams.org/
- Arizona Department of Financial Institutions at fraudline@azdfi.gov
- Arizona Attorney General's Office www.azag.gov/consumer/foreclosure/index.html#Complaint
- NeighborWorks® at www.loanscamalert.org/default.aspx

4 Contact a Free HUD-Approved Housing Counselor or Contact Your Lender Directly

- Contact a HUD-approved housing counseling agency online at www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AZ or call (800) 569-4287 or TDD (800) 877-8339 for advice on your options. For additional HUD resources: http://portal.hud.gov/portal/page/portal/HUD/topics/avoiding_foreclosure
- Contact the Neighborhood Assistance Corporation of America at: www.naca.com/refinance/refinanceTenStep.jsp
- Contact the lender directly. To find the lender's contact information, check the loan billing statement, or coupon book. Ask for the lender's home retention department, loss mitigation department, (or other department that handles negotiation of loans in default); explain the situation and find out if the lender is willing to discuss options.

5 Utilize Free Services Available to Arizona Residents

- **Contact the Arizona Foreclosure Helpline** at 1-877-448-1211 (toll-free) or visit www.housingaz.com/ShowPage.aspx?ID=248
- **Review the Arizona Foreclosure Prevention Task Force Workbook** www.dbtaz.org/flyers/2009.9.1.State.Task.Force.Wrkbk.pdf.

This book will help you evaluate your options and provide you with tools to take action. Additional resources are available at:

www.azforeclosureprevention.org

6 Obtain Legal Advice

An attorney can advise you about your options and legal liability.

- To find out if you are eligible for free or low cost legal assistance, contact a legal aid organization in your county or one of the organizations listed at www.azbar.org/LawyersHelpingYou/freelegal.cfm or www.azlawhelp.org/housing.cfm
- Contact the Lawyer Referral Service in your county where you can consult with an attorney for a small fee for a half-hour consultation.
 - **Maricopa County:** www.maricopabar.org/displaycommon.cfm?an=16 (602) 257-4200.
 - **Pima County:** www.pimacountybar.org/web/lawyer-referral-service-lrs (520) 623-4625.
- Attorneys who are State Bar Real Estate Law Certified Specialists can be located at www.azbar.org/LegalResources/findspecialist.cfm.



Short Sale Seller Advisory

BEFORE PROCEEDING WITH A SHORT SALE (CONTINUED)

7 Obtain Tax Advice

- For Mortgage Forgiveness Debt Relief Act and Debt Cancellation tax information, go to www.irs.gov/individuals/article/0,,id=179414,00.html
- Attorneys who are State Bar Tax Law Certified Specialists can be located at www.azbar.org/LegalResources/findspecialist.cfm.

8 Be Aware of the Consequences of Committing “Waste”

Damaging the property or removing fixtures such as sinks, toilets, cabinets, air conditioners, and water heaters may result in liability to the lender for “waste.” In other words, the lender may be able to sue you for damages if you have physically abused, damaged or destroyed any part of the property.

OPTIONS OTHER THAN SHORT SALE

CONSIDER ALL OPTIONS

**A SHORT SALE MAY NOT BE YOUR BEST COURSE OF ACTION.
CONSIDER ALL YOUR OPTIONS BEFORE MAKING A DECISION.**

1 Loan Workout

- **Reinstatement:**
Paying the total amount owed by a specific date in exchange for the lender agreeing not to foreclose.
- **Forbearance:**
An agreement to reduce or suspend payments for a short period of time.
- **Repayment Plan:**
An agreement to resume making monthly payments with a portion of the past due payments each month until they are caught up.
- **Claim Advance/Partial Claim:**
If the loan is insured, a homeowner may qualify for an interest-free loan from the mortgage guarantor to bring the account current.

2 Loan Modification

The lender may agree to change the terms of the original loan to make the payments more affordable. For example, missed payments can be added to the existing loan balance, the interest rate may be modified or the loan term extended. Loan modification resources include:

- **Making Homes Affordable:**
www.makinghomeaffordable.gov
- **National Foreclosure Mitigation Counseling Program:**
<http://findaforeclosurecounselor.org/network/home.asp>
- **Homeownership Preservation Foundation:**
www.995hope.org
1-888-995-HOPE™ Hotline



Short Sale Seller Advisory

OPTIONS OTHER THAN SHORT SALE (CONTINUED)

3 Refinance

If the lender will not agree to a loan workout or modification, the homeowner may be able to refinance the loan with another lender.

Learn more at www.makinghomeaffordable.gov/programs/lower-rates/Pages/short-refinance.aspx

And www.makinghomeaffordable.gov/programs/lower-rates/Pages/harp.aspx

4 Deed-in-Lieu of Foreclosure

The lender may allow a homeowner to “give back” the property. This option may not be available if there are other liens recorded against the property. Review the HUD requirements at www.hud.gov/offices/hsg/sfh/nsc/rep/dilfact.pdf

5 Work Out Sale

The lender may allow a specific amount of time for the home to be sold and the loan to be paid off. The lender may also allow a buyer to assume the loan to purchase the property even if the loan is non-assumable.

6 Bankruptcy

If you are considering bankruptcy as an option, consult with an attorney that specializes in bankruptcy cases: www.azbar.org/LegalResources/findspecialist.cfm

Access the Arizona Bankruptcy Court self help information by calling 866-553-0893 or visit www.azb.uscourts.gov/default.aspx?PID=78#866



7 Foreclosure

Allowing the lender to foreclose is another option. The counselors at the Arizona Foreclosure Help Line can explain the foreclosure process, call:

1-877-448-1211

Ultimately, only you and your attorney can decide if foreclosure is the best option for you. Attorneys who are State Bar Real Estate Law Certified Specialists can be located at:

www.azbar.org/LegalResources/findspecialist.cfm

Ask your attorney about the possibility of a deficiency lawsuit after foreclosure. Assuming all statutory requirements are met, the Arizona anti-deficiency statutes may limit the lender’s remedy to foreclosure, even if the amount due to the lender exceeds the value of the property.

Also, seek professional tax advice about the consequences of a foreclosure and review the IRS information at www.irs.gov/individuals/article/0,,id=179414,00.html



Short Sale Seller Advisory

SHORT SALE CONSIDERATIONS

IF YOU DECIDE TO PURSUE A SHORT SALE, CONSIDER TAKING THE FOLLOWING ACTIONS

1 Contact a Qualified Real Estate Professional

Interview several real estate professionals and ask about their experience in short sales, the number of short sale transactions that they have handled, and their education and training in short sales.

- Review the real estate professional's background and continuing education on the ADRE website at: <http://services.AZRE.gov/publicdatabase>
- Ask if the real estate professional has obtained a short sale certification, such as the Short Sales and Foreclosure Resource Certification ("SFR") www.realtorsfr.org/.
- Find a REALTOR® at www.aaronline.com/ConsumerAssistance/FindARealtor

2 Investigate Documentation and Eligibility

Documentation and eligibility criteria for short sales vary depending on specific lender and investor guidelines. Generally, you must prove that you are financially incapable of paying the loan and the lender is convinced that it will fare better by agreeing to a sale for less than the outstanding loan amount than foreclosing.

3 Determine the Amount Owed on the Property

All debt and costs must be factored in before determining whether a short sale is feasible. Consider the delinquent loan, home equity loan or other loans recorded against the property, past due homeowner's association fees, unpaid property taxes and the costs of a sale, such as closing costs, escrow fees and brokerage commissions. If you have more than one loan on the

property, be aware that a short sale will generally require the approval of all lenders.

4 Determine the Estimated Fair Market Value of the Property

You must prove to the lender that the home is worth less than the unpaid loan balance. Consult a real estate professional or an appraiser for assistance in estimating the value of the property.

5 Consult Legal Counsel

The importance of competent legal counsel to help you determine whether a short sale is the best option and to advise you during the short sale process cannot be over emphasized. See the legal resources listed on page 2 or visit www.azbar.org.

6 Understand that a Short Sale May not Discharge the Debt

Even if a lender agrees to a short sale, the lender, the VA, or the FHA may not agree to forgive the debt entirely and may require you to pay the difference as a personal obligation. This outstanding personal obligation could result in a subsequent collection action. For example, a lender may accept the short sale purchase price to "release the lien" on the property as opposed to agreeing to accept the purchase price as "full and final settlement of the debt" on the property. Therefore, be certain of the terms of any short sale before making a decision, consult an attorney regarding whether the lender is entitled to pursue a deficiency judgment and obtain any debt forgiveness agreements with the lender in writing.



Short Sale Seller Advisory

SHORT SALE CONSIDERATIONS (CONTINUED)

7 Obtain Tax Advice

A short sale in which the debt is forgiven is a relief of debt and may be treated as income for tax purposes. The Mortgage Forgiveness Debt Relief Act of 2007 created a limited exemption to allow homeowners to pay no taxes on debt forgiveness; however, only cancelled debt used to buy, build or improve a principal residence or refinance debt incurred for those purposes qualifies for this tax exemption. For more information on the tax consequences of debt relief seek professional tax advice and go to www.irs.gov/individuals/article/0,,id=179414,00.html

8 Be Aware of the Impact on Your Credit Score

The impact of a short sale on your credit score depends upon a variety of factors, including late or missed payments. A short sale may appear on your credit report as “pre-foreclosure redemption,” “paid in full for less than full balance” or other similar term.

9 Understand That There May Be a Waiting Period Before You Can Buy another Home

Your ability to qualify for a loan to purchase another home after a short sale will likely be impacted by a short sale and there may be a waiting period before you can purchase another home.

10 Home Affordable Foreclosure Alternative (HAFA) Program

The HAFA program was designed to give homeowners different alternatives to a foreclosure, which include incentives for completing a short sale. For more information on the options available, visit the HAFA program website

www.makinghomeaffordable.gov/hafa.html

To find out which option you are eligible for go to www.makinghomeaffordable.gov/eligibility.html

To find out if your mortgage servicer participates in the HAFA program go to

www.makinghomeaffordable.gov/get-assistance/contact-mortgage/Pages/default.aspx

National Association of REALTORS® HAFA brochure:

www.realtor.org/wps/wcm/connect/3400520042baa210a512b5d4db880d7c/HAFA+Consumer+Brochure+6.3.10.pdf?MOD=AJPERES&CACHEID=3400520042baa210a512b5d4db880d7c

Guidelines and Forms:

www.makinghomeaffordable.gov/get-assistance/request-modification/Pages/default.aspx

Fannie Mae's HAFA program:

www.efanniemae.com/sf/servicing/hafa/index.jsp

11 Review the Arizona Association of REALTORS® (AAR) Short Sale Forms

AAR has developed a Short Sale Addendum to the Listing Agreement, www.aaronline.com/documents/SSAListing.pdf, and a

Short Sale Addendum to the Residential Resale Real Estate Purchase Contract www.aaronline.com/legal/forms/sample-pdfs/sample-short-sale-addendum.pdf

to assist in a short sale transaction. Review these contract forms and any other forms you are asked to sign so that you thoroughly understand your rights and obligations.

For More Information, Visit:

The Arizona Department of Real Estate website: www.azre.gov/

AAR's Consumer Foreclosure Assistance Links:

www.aaronline.com/documents/ForeclosureLinks.aspx



Short Sale Seller Advisory

SELLER ACKNOWLEDGEMENT

Seller acknowledges receipt of this Advisory and further acknowledges that there may be other issues of concern not listed herein. The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact your own lawyer.



Short Sale Seller Advisory

*A Resource for
Real Estate Consumers
Provided by the*



^ SELLER SIGNATURE DATE

^ SELLER SIGNATURE DATE

SELLER HARDSHIP LETTER EXAMPLE

Date:
Lender:
Attn: Loss Mitigation

**RE: Hardship Letter – (Property Address)
Account Number**

To whom it may concern:

I purchased my home in 2005 and we had the income at the time to support the mortgage.

During the years that followed, my/our work hours have been cut back, and we now make approximately 40% less than what we earned when we first purchased the property.

This left me/us with a heavy financial burden of paying the mortgage. On my/our current salary, I/we have exhausted much of our financial savings attempting to stay afloat.

My/our financial situation cannot sustain a home mortgage of XXXXXX. I/we need to sell our home to avoid the inevitable foreclosure and salvage what is left of our/my credit.

Please accept a reasonable offer from a qualified buyer as payment in full for the house.

I deeply appreciate your help and understanding in this matter. If you have any questions or need anything from me, please contact my agent or me personally.

Sincerely,

Distressed Homeowner

Seller Due Diligence

Credit Reporting, Repayment of Liability and Taxes

Tax Attorney:

Marianne Kingman
2355 E. Camelback Rd. Phoenix, AZ. 85016
602-954-2410

Real Estate Attorney:

Jonathan Wallack
Bonnett, Fairbourn, Friedman &
Balint, PC
602-776-5914

Real Estate Attorney:

Daniel Miranda
Miranda Law Firm
480-505-1915 – office

Stein Law, PLC
Scott J. Stein, Attorney
480-889-8948 office
www.steinlawplc.com

Consumer Credit Counsel: 602-246-2227

Credit Strategies:

Mick Bernard
480-502-5554

Bankruptcy Attorney:

Naussabam & Gillis
14500 N. Northside Blvd. Scottsdale, AZ.
480-609-0011

Each seller(s) understands that their lender offer (Acceptance Requirement's) may have some tax, legal and credit consequences that are unacceptable to the seller. The seller(s) have been advised by the listing broker to contact professionals or any legal, tax and credit professionals before, during and prior to submitting the bank acceptance to the buyer, that they are in agreement with the terms in the acceptance letter.

Broker recommendations of the above mentioned or any other person or entity to Owner for any purpose, such recommendation shall be independently investigated and evaluated by Owner, who hereby acknowledges that any decision to enter into any contractual arrangement with any such person or entity recommended by Broker will be based solely upon such independent investigation and evaluation.

Disclaimer: Seller acknowledges that Broker is not qualified to provide financial, legal or tax advice regarding a short sale transaction. Therefore, the Seller is advised to obtain professional tax advice and consult independent legal counsel immediately regarding the tax implications and advisability of entering into a short sale agreement.

Property Address: _____

Print Name (s): _____

Signature (s): _____