

Short Sales Information AND INSTRUCTIONS

Short Sales are pre-foreclosures. Simply, the seller owes more on the mortgage than the home will sell for. Once we receive an offer as close to market value as possible, we will present it to the bank for approval. Many times the bank would rather lose some money now to avoid losing a larger amount later if they have to foreclose.

Here is the process:

1. The seller completes a package of financial info, hardship letter, and hires an attorney to negotiate with the bank on their behalf. We also submit a current CMA to the bank to show current market value.
2. Offers are received. The highest and closest to market value offer is signed by the seller (however it is still subject to bank approval). The bank will **USUALLY NOT** allow cash back for closing costs, so please do not put those in your offer or it probably will be automatically rejected.
3. **It is a good idea and STRONGLY SUGGESTED to perform any inspections prior to even making an offer.** Please perform any inspections WITHIN 7 days of Seller Acceptance. Any offer that includes wording for the buyer to reserve the right to do the home inspection upon seller acceptance of short sale will **MOST LIKELY** be rejected. Since banks rarely if ever negotiate after an accepted offer, it's best the buyer seek professional advice before we submit the offer to the lender. The seller is financially ab-solvent and will not be able to correct any items after an inspection. **This will be an as-is purchase.**
4. Immediately, the seller's attorney will generate a P&S subject to bank approval. Please be ready to go directly to P&S.
5. Once the P&S is fully signed (within 3-4 days from offer), the seller's attorney will submit everything to the bank for approval. This process can take from 10-90 days or even longer depending on the bank. Obviously, we want to move as fast as possible, and don't want to make your buyer wait.
6. Patience is key during this time. If your buyer can be patient, they will get a great deal! We promise, you will be the first one informed if we have any news at all. Try to resist the urge to call every day. Nagging won't get anyone anywhere, especially since it's beyond our control. Prepare your buyer to wait. It will be worth it.
7. During this time, we MAY continue to market the property, and if so, only accept BACKUP offers. **Many times the first buyer backs out due to impatience and one of the backup buyers gets the great deal.** Remember, these are backup offers only. Even if they are "more desirable" than the original, we will not present them to the bank unless your buyer drops out.
8. The bank will send out appraisers during this period to make sure the offer is high enough and at least at current fair market value. They might counter-offer the buyer for a few thousand more, and they might ask the agents to take a small commission cut.
9. Once the approval from the bank comes in, they will want to close as soon as possible - so be ready! Typically banks give us a deadline.
10. Move in and enjoy your great purchase.

All Forms requiring initials and signatures MUST be initialed and signed by the BUYER to accompany the offer the purchase. THERE ARE NO EXCEPTIONS!!!

Scan to PDF format and send by email to service@yourhasslefreelisting.com

or fax to 508-365-3581

JIM *Gatos* **CBR, CRA, CFPC, GRI, CSSS**



Short Sale Services,
Jim Gatos

Jim Gatos, **CBR, CRA, CFPC, GRI, CSSS** – Keller Williams Realty
276 Turnpike Road, Suite 221 Westborough, MA 01581
Direct/Fax: 508-365-3581 Web: www.jimgatos.com