



## Short Sale Checklist

### With Each New Short Sale Prospect:

#### Prior to First Client Meeting:

Check box when complete:

Prepare Short Sale Presentation Package:

1. Short Sale Checklist
2. Short Sale Information Form
3. Short Sale Presentation
4. Mortgage Forgiveness Debt Relief Act of 2007 - Handout
5. Documentation Requirements for Short Sales – Handout
6. Hardship Letter Sample - Handout
7. Personal Financial Statement - Handout
8. CMA (Comparative Market Analysis, showing Active, Pending and Sold for last 3-6 months)

Prepare Real Estate Contract Package:

1. Real Estate Agency Relationship Disclosure (AD)
2. Standard Residential Listing Agreement (RLA)
  - Under page 1, item 3B, write “Short sale and gross commission subject to lender approval.”
3. Short Sale Listing Addendum (SSL)
4. Seller's Advisory (SA)
5. Authorization to Receive and Convey Information (form ARC).  
(Place each lender and account number on the ARC form)

Prepare Real Estate Seller Disclosures Package:

1. Natural Hazard Report (TC to order when escrow opens)
2. Environmental Hazards / Earthquake Booklet
3. Real Estate Transfer Disclosure Statement (Form TDS)
  - The Seller's agent should check the 1st box of the middle of the page, and write “Agent is not a property inspector. Agent strongly recommends 3rd party home inspection by a licensed inspector or contractor.” All other areas of TDS form must be completed.
4. Statewide Buyer & Seller Advisory (Form SBSA)
5. Smoke Detector / Water Heater Statement of Compliance
6. Supplemental Statutory Disclosures (Form SSD)
7. Lead Based Paint Disclosure (if built before 1978 - Form FLD)
8. Seller Affidavit (One for each seller)
9. San Diego Country Local Area Disclosures
10. Seller Additional Disclosures
11. WRG Disclosure Notice
12. WRG Attorney Accountant Counsel Recommendation Disclosure
13. Statement of Information (For Title Company)
14. All other applicable forms and disclosures

**First Client Meeting:**

Check box when complete:

- Discuss Homeowner's Situation.
  1. Use Short Sale Information Form to review details on the home purchase, current value, loans, status, and homeowner goals.
- Give Short Sale Presentation (use hardcopy presentation)
- Provide "Mortgage Forgiveness Debt Relief Act of 2007" Handout
- Review CMA to determine list price
- Review and Obtain Signatures on all Real Estate Contracts
- Provide and Review "Documentation Requirements for Short Sales" Handout
  1. Review financial documents that will ALL need to be provided at next appointment.
  2. Provide "Hardship Letter Sample" Handout
  3. Provide "Personal Financial Statement" Handout
  4. Counsel the Client to be careful about talking to the lender at this point. If they are behind on their payments, they will receive phone calls from COLLECTORS, not Short Sale Negotiators. The collectors will often bully the client and make misleading statements that will confuse them about the short sale status.
  5. Write appointment date and time on the "Documents Required" form given to client.

At this appointment:

    - The client will provide all required financial forms and real estate seller disclosures forms.
    - The Agent or Assistant will take digital pictures of the house for property flyers and the MLS listing.
    - Homeowner will provide a front door key for lockbox purposes.

SECOND CLIENT MEETING DATE: \_\_\_\_\_

- Provide the "Seller Real Estate Disclosures Package." Briefly review the forms with the client. They should all be completed and signed, to be given at the next meeting when the financial documents are provided.

**Second Client Meeting:**

Check box when complete:

- Pick up all required financial documentation. Review to ensure complete package is provided.
- Pick up all real estate disclosures. Review all forms for signatures, initials and completeness.
- The Agent or Assistant will take indoor and outdoor digital pictures of the house for property flyers and the MLS listing.
- Obtain front door house key for lockbox.

### **Follow-Thru After Second Client Meeting:**

#### **Initial when complete (Agent or Assistant):**

\_\_\_\_\_ Review all digital pictures. Finalize best shots for MLS and property flyer.

\_\_\_\_\_ Email the Title Company digital pictures and home information for property flyer.  
Place order for property flyers.

\_\_\_\_\_ Provide the Title Company the Statement of Information. Have them check for any undeclared or unknown liens or judgments. If there are any, you can have them addressed in your initial net sheet submitted to the lender.

\_\_\_\_\_ Enter all property information in the MLS. Keep listing as incomplete. You MUST enter in the confidential remarks: "Short sale and gross commission subject to lender approval. Any commission reduction to be split 50/50." Also, enter "yes" for the question "Subject to court or lender approval?"

\_\_\_\_\_ Fax or go online to Champion Signs to order property For Sale Sign. If property is a condo, do not order through Champion. Agent or Assistant should go and place a sign in one of the property's windows.

\_\_\_\_\_ When flyers arrive, set up Client Third appointment to place flyers in home.

### **Third Client Meeting:**

#### **Initial when complete (Agent or Assistant):**

\_\_\_\_\_ Place property flyers in home.

\_\_\_\_\_ Install lockbox on property.

\_\_\_\_\_ Begin showing property. Change "Inactive" MLS listing to "Active"

\_\_\_\_\_ Print copy of active MLS listing and place in file.

### **Active Sale Period :**

- Update client via email or phone every 1-2 weeks with property sale status.
- Field property phone calls and encourage offers.

### **Responding to Purchase Offers :**

- When Offers Arrive:
  1. Review for Completeness
  2. Call the Sale Agent to let them know we received their offer. We will meet with the seller shortly, and if they agree to the offer, we will obtain the seller signatures and immediately submit the offer to the bank. We will let the Selling Agent know as soon as we have word from the bank if the offer was accepted. Generally expect 7-10 days for a response.
  3. Submit the seller signed offer to the bank.
  4. Input information into your Short Sale database or tracking system.
- Follow up with the lender every couple of days to check on the approval status.
- Obtain an Estimated HUD to compute Lender's Net
- Check on BPO or Appraisal status.
- Send out Lender counter offers as needed.

## **When Lender Gives an Approval**

### **Initial when complete (Agent or Assistant):**

\_\_\_\_\_ Open escrow and order title prelim.

1. Ensure all real estate contracts have been signed, along with page 8 of the purchase contract, the Confirmation of Acceptance from the Buyer's agent, and the last counter offer (if any). Submit all to escrow.
2. Fax purchase agreement, counter-offers and addendums to escrow.
3. Ensure the Sellers sign and return any documents they receive from escrow.

\_\_\_\_\_ Change MLS listing to "Pending" and insert MLS office number of Buyer's agent.

\_\_\_\_\_ Combo box may replace the electronic lockbox to make it easier for the buyer's home inspector or appraisal appointments.

## **During Escrow**

### **Initial when complete (Agent or Assistant):**

\_\_\_\_\_ Coordinate with TC and provide all Seller Disclosures to Buyer's Agent.

\_\_\_\_\_ Receive all signed Seller Disclosures back from Buyer's Agent.

\_\_\_\_\_ Coordinate with Buyer's Agent as needed to set up a home inspection and appraisal.

\_\_\_\_\_ Order Termite Report as required by contract. Any repairs to be completed only upon lender approval.

\_\_\_\_\_ Ensure Buyer's Loan is on track and Buyer has loan approval.

\_\_\_\_\_ TC to obtain Home Warranty Confirmation number and provide to Buyer's agent

\_\_\_\_\_ Seller's agent to complete any remaining items required by TC from Transaction Checklist

## **After Close of Escrow**

### **Initial when complete (Agent or Assistant):**

\_\_\_\_\_ Change MLS listing to "Sold" and print out a copy for the file

\_\_\_\_\_ Contact Champion Signs (if they did the installation) to have sign and post removed

\_\_\_\_\_ Arrange for brochure box and lockbox to be picked up.

\_\_\_\_\_ Seller's agent to ensure Seller receives copies of all documents.

\_\_\_\_\_ Seller's agent to ensure file is complete and final HUD is received.

\_\_\_\_\_ Move completed file from "Active" section to "Closed" Section

\_\_\_\_\_ Send thank you note to Seller and ask for referrals.

\_\_\_\_\_ Add Seller to Client database.