

**Alliance Bay Realty**  
(d.b.a. Paragon Real Estate & Mortgage)  
37600 Central Court, Suite 264, Newark CA 94560

**SHORT SALE DATA GATHERING AND INFORMATION PACKAGE**  
All information needs to be faxed to 1-866-996-8282 or emailed to  
[OpenContracts@yahoo.com](mailto:OpenContracts@yahoo.com)

**Contact info:**

**John Kim**  
Alliance Bay Realty  
37600 Central Court, Suite 264  
Newark, CA 94560

**Short Sale Processor:**

**Antonette Llanza**  
Tel: (510) 742-6600 ext. 2646  
Fax: (866) 996-8282  
Email: [OpenContracts@yahoo.com](mailto:OpenContracts@yahoo.com)



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## **SHORT SALE SUBMISSION CHECKLIST**

In an effort to aid the homeowner(s) in facilitating a Short Sale with their mortgage lender(s), the information below will be needed immediately to prepare and process the Short Sale. **NOTE:** Please provide clean copies of documents so that the bank loss mitigation specialists have an easy time reviewing the information.

- Signed Short Sale Disclosure Letter
- Hold Harmless Agreement
- Disclosure Regarding Short Sale Transaction
- Alternatives to Foreclosure
- Short Sale Offer Process
- ABR Borrower Data Gathering Form. **IMPORTANT:** Do not leave blank
- Signed Third-Party Authorization to Release Information
- Monthly Expense Worksheet. **IMPORTANT:** Do not leave blank
  
- Complete and signed Hardship Letter (See enclosed examples)
- Copies of most recent mortgage statement(s)
- Copy of HOA statement
- Last two months paystubs
- Profit & Loss Statement, if self employed
- Last two months bank statements, include all numbered pages for all accounts
- W2s and Federal Tax Returns for the last two years, include all Schedules
- Rental or Lease Agreements, if it's an investment property
  
- Copy of Real Estate Listing Agreement (provided by Real Estate Agent)
- Copy of Purchase and Sale Agreement for property (provided by Real Estate Agent)
- Funding/Pre-Approval Letter for Buyer financing (provided by Real Estate Agent)
- Estimated HUD-1 (provided by escrow)

All information must be complete in order to obtain a timely approval from the lender. (**NOTE:** Lenders often shred hard to read or incomplete Short Sale packages. It is very important to make sure that the package is complete, clean and as accurate as possible. Incomplete packages will not be submitted to the lender for Short Sale approval.)

Please be advised that the information contained in these materials are not intended to serve as, or be substituted for, legal, financial and/or tax advice. Please contact an attorney, licensed to practice law in your state, for legal advice prior to the sale or purchase of real property in your state.



**FORECLOSURE DISCLAIMER**

I, the undersigned, acknowledge that it has been disclosed to me that every attempt will be made to successfully market my property in order to save my home from foreclosure. In the event of a short sale on my property, I understand there is no guarantee that the lender beneficiary on my property will approve a payment for less than the full amount due on the loan. Furthermore, I understand that I am unlikely to receive any cash compensation from this transaction.

I have been advised that there may be tax ramifications associated with saving my home from foreclosure auction, including, but not limited to, the issuance of an IRS tax form 1099-C for any shortfall of the mortgage debt.

If the Seller has ceased making mortgage payments, the Lender(s) may file a Notice of Default and proceed with a foreclosure action notwithstanding the fact that there are ongoing short sale negotiations. **Negotiating a short sale does not stop the foreclosure process.** Seller and/or Buyer acknowledge and understand that the Agent cannot and does not guarantee that a short sale can be obtained from the Lender(s) and/or that the foreclosure process can or will be stopped. If a Notice of Default has been filed by a Lender(s), Seller should immediately consult with a real estate and/or bankruptcy attorney.

\_\_\_\_\_ (agent) is a licensed real estate agent and has disclosed that they are not attorneys or certified public accountants. I understand that I have been advised to consult with any of these professionals with regard to any specific questions I may have relative to these areas of expertise.

And, although every effort will be made to obtain full release/payoff status of my loan, the listing agent cannot guarantee that there will be no possibility of lender-instigated judgment against me for any loan deficiency.

I also understand that the listing agent and/or their associates may be a bidder in the eventuality that my property does go to foreclosure sale and, if successful, may ultimately resell the property for a profit.

I further understand that the listing agent and/or their associates may become the listing agent for the beneficiary/investor or other new owner, if the property goes to foreclosure sale and is sold.

\_\_\_\_\_  
Name -

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name -

\_\_\_\_\_  
Date



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**HOLD HARMLESS AGREEMENT**

*BROKERAGE* \_\_\_\_\_ *LISTING AGENT* \_\_\_\_\_

*Property Address* \_\_\_\_\_

The undersigned parties (Seller or Sellers) understand that the listing agent (Agent) will not provide Sellers with legal or tax advice. The Sellers therefore agree to seek independent Counsel pertaining to sale of their home, land, and real property in the matters of state and federal taxes and legal implications. The undersigned Sellers shall contact an appropriate real estate attorney and or certified public accountant to obtain qualified counsel relating to implications of and questions about selling the below mentioned real property. The Sellers further acknowledges that the Sellers have been given the opportunity to discuss this transaction with the Seller's private legal counsel and public accountant, and the Sellers have utilized that opportunity to the extent desired.

The undersigned further agree that there have been no guarantees or promises of sale made to them by the Agent or brokerage above. It has been explained to the Sellers, and they agree to as much below, that in a changing real estate market Brokers and agents can make no warranties whatsoever implied or otherwise as to time to sale, sale price, and probability of sale of any property. Because Agent does not and cannot make any guarantees, Sellers agree that any prior statements made by the Agent to the contrary are hereby waived and shall have no effect whatsoever in connection with the services to be offered by Agent. Moreover, any information that the Agent has presented to the Sellers is to assist the Sellers in making an educated decision in the sale of their home but in no way should preclude the Sellers from seeking professional legal as well as tax advice. It is expressly suggested that the seller do both.

In consideration of the mutual considerations between the parties, the Sellers hereby agree to hold Agent and the brokerage above harmless and keep them exonerated from all loss, damage, liability, or expense occasioned by the services intended to be provided by the Agent and the brokerage or claimed by reasons of acts or neglects of third parties, including property inspectors, visitors, or third party independent contractors. Likewise, Sellers agree that they shall save, defend, indemnify and hold harmless Agent and the brokerage above from any and all claims, demands, liabilities, actions, proceedings, judgments, fines or other expenses including without limitation, reasonable attorneys' fees, incurred by them arising from or related to any claim of alleged errors and omissions caused by or related to the acts of the Sellers, their agents, servants, principals and/or employees. Sellers agree that if they take any action against the Agent or the brokerage, contrary to this agreement to indemnify and hold harmless, the Sellers shall reimburse the Agent and/or brokerage for any attorney's fees or costs of any kind or nature which may be incurred by the Agent and/or brokerage to enforce the provisions of this agreement. The Sellers hereby understand and agrees that a specific condition of being provided such services is the execution of this agreement.

IN SIGNING THIS RELEASE, I (we) ACKNOWLEDGE AND REPRESENT THAT I (we) have read the forgoing Waiver of Liability and Hold Harmless Agreement, understand it and sign if voluntarily as my (our) own free act and deed; no oral representations, statements or inducements, apart from the foregoing written agreement, have been made; I (we) am at least eighteen (18) years of age, and fully competent; and I (we) execute the Release for full, adequate and complete consideration fully intending to be bound by same

\_\_\_\_\_  
*Seller's Signature* *Date*

\_\_\_\_\_  
*Seller's Signature* *Date*

\_\_\_\_\_  
*Print Seller's Name*

\_\_\_\_\_  
*Print Seller's Name*

\_\_\_\_\_  
*Print Agent's Name*

\_\_\_\_\_  
*Agent's Signature* *Date*



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**DISCLOSURE REGARDING SHORT SALE TRANSACTION**

This document serves as an explanation, disclosure and release regarding the property at:

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Alliance Bay Realty (ABR) is attempting to negotiate with the mortgage lender(s) of the property to have them accept less than what is owed due to the Borrower's individual financial circumstances in an attempt to avoid foreclosure.

ABR discloses the following:

This disclosure in no way suggests or states that ABR will complete or promise to complete this transaction prior to the foreclosure auction date. If negotiations are unsuccessful and ABR cannot facilitate a Short Sale and consequently the property is foreclosed on, the Borrowers agree to hold harmless ABR for any and all claims, actions, causes of action, demands, rights, etc from the result of the foreclosure of the above referenced property.

In some cases, the lender(s) may require Borrower to pay the difference of what is remaining owed either in the form of a voluntary carry-back or an involuntary deficiency judgment. It is the goal of ABR to negotiate with the Lender to provide Borrower with a full release of any future debt obligations of the mortgage(s). However, this is not always possible with every Lender. If ABR cannot obtain a full release, the Borrower(s) agree to hold harmless and indemnify ABR for any and all claims, actions, causes of action, demands, rights, etc resulting from Lender not agreeing to a full release and discharge of mortgage debt for the Short Sale.

The Borrower(s) also acknowledge that they have not been charged a fee by ABR for any work it has not completed or has completed in order to effectuate a Short Sale on the subject property. The Borrower(s) are not responsible for any fees that may be paid to ABR during or after this short sale negotiation process.

The undersigned has read and acknowledged the foregoing release and its intent.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Co-Borrower



## **Expectations and Timeline**

### **Marketing your home:**

Your home will be shown to both investors and traditional buyers. During this process, your property may be shown several times a day in some cases. The goal is to get the highest and best offer in the shortest time possible. Those viewing or calling to view your home have been instructed not to bother you with questions regarding the short sale so as to not put any additional stress on you.

### **The First Offer:**

Once an offer is received on your property, we will schedule an appointment for you to come in and sign the Purchase Agreement (this should only take 5-10 minutes).

Although you do need to sign one offer, your property can attract multiple offers. All offers will be submitted to the lender(s) for their review and you will not need to sign each and every offer that we receive. Towards the end of the process, when the lender accepts an offer, you will need to sign that offer in order for us to open escrow.

### **The Process:**

Once we have sent the offer(s) to the lender(s), the actual Short Sale process can take anywhere from 4 weeks to 4 months. This timeline varies with each lender.

Please understand that we do not intentionally wait to return phone calls and we do not ignore your messages, it is simply not humanly possible for us to return all calls in a timely manner and still move forward to a successful transaction. For this reason, it is very important for you to use email as the main method of communication for periodic updates.

After the lender reviews the Short Sale package, a BPO (Broker Price Opinion) will be ordered by the lender. This is similar to an appraisal and once the lender receives their report, they will usually make a final decision shortly thereafter. The lender orders the BPO so they can figure out what their net proceeds will be (how much of a loss they will be writing off). Your property will remain 'Active' on the MLS until the lender accepts the offer.

Please be patient throughout this process. At times you may feel things are going too slow, but remember this is not a regular transaction and can take longer to complete.

### **The Accepted Offer:**

Once an offer has been approved by the lender, we will notify you that we are going to proceed to close the transaction.



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The lender may demand to close escrow anywhere from 20-30 days, so be prepared. If the buyer does not close by the lender's deadline, the next highest bidder in line may be accepted.

\*\* If the buyer(s) cannot perform and close on time, the lender may decide to proceed with foreclosure thus severing the opportunity for all parties involved to complete a successful transaction. \*\*

**The Close of Escrow:**

You, as the seller, will be instructed to sign seller documents at the escrow office. Please bring with you your I.D., all keys, garage door openers, and a good attitude. We will celebrate your new freedom from this financial burden and stress.

**Your Financial Freedom:**

Keep all of your copies of the documents pertaining to this sale in a safe place. Call us with your new forwarding address so we can keep in touch with you through the year and offer you assistance in preparing yourself for future success.

Try not to incur any new debt and keep low balances on any credit cards you may have. Maintain good consumer credit by not paying late on your currently active accounts. Pay your rent by check or some other way that can be tracked to show evidence that you are paying on time. This will help you should you choose to purchase a new property in the future.

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We hope this information helps you to keep stress at a minimum during this process and as you prepare for the future. We understand that this decision may have been very difficult to come to. With that in mind, we want to remind you that the whole purpose of this transaction is to position you, or you and your family, for a healthier financial future; one which allows security and freedom.

Looking forward to working with you toward a successful transaction!

Best Regards,

The ABR Short Sale Team  
37600 Central Court, Suite 264  
Newark, CA 94560  
OpenContracts@yahoo.com  
Phone: (510) 742-6600 ext. 2646  
e F a x: (866) 996-8282



## Alternatives to Foreclosure

You may be facing foreclosure... so what are your options?!? Try to look at the situation more from a financial standpoint rather than an emotional standpoint. This way you can more successfully analyze which option might best suit your needs and desires to move you towards resolving your financial difficulty. One very important thing to remember: *Time is of the essence*. Take time to think through your situation and make a decision. Then, take action right away so you have enough time to complete the solution you choose.

### Nine options when facing Foreclosure

- 1. Do Nothing** – If a homeowner does nothing, they most likely will lose their home at foreclosure auction. Loan applications generally ask if the applicant has ever been foreclosed upon. Credit reports also disclose this damaging information. Not the best option.
- 2. Payoff/Refinance** – Completely paying off the entire loan amount plus any default amount and fees. Usually this is accomplished through a refinance of the debt. New debt is at a normally higher interest rate and there may be a prepayment penalty because of the recent default. With this option, there should be equity in the home.
- 3. Reinstatement** – Paying the entire default amount plus interest, attorney fees, late fees, taxes, missed payments and fees.
- 4. Loan Modification** – Utilizing the existing mortgage company to refinance the debt or extend the terms of the loan. This may allow the homeowner to catch up at a more affordable level. To qualify, you must prove to the lender you have fixed the problem that caused the late payment.
- 5. Forbearance** – Lender may be able to arrange a repayment plan based on the homeowner's financial situation. The lender may even be able to provide a temporary payment reduction or suspension of payments. Information will be required from the lender to show that you are able to meet the new payment plan requirements.
- 6. Partial Claim** – A loan from the lender for a 2<sup>nd</sup> loan to include back payments, costs and fees.
- 7. Deed in Lieu of Foreclosure** – Give the property back to the bank instead of the bank foreclosing. Banks generally require the home be well maintained, all mortgage payment and taxes must be current. Most loan applications ask if this has ever happened.





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**8. Bankruptcy** – This option can liquidate debt and/or allow more time. I can refer you to a qualified bankruptcy attorney.

- **Chapter 7** (Liquidation) To completely settle personal debt.
- **Chapter 13** (Wage Earner Plan) Payments are made toward a plan to pay off debts in 3-5 years.
- **Chapter 11** (Business Reorganization) A business debt solution.

**9. Sale** – If the property has equity (money left over after all loans and monetary encumbrances are paid). The homeowner may sell the home without lender approval through a conventional home sale. In this case, the homeowner will get cash from the sale. On the other hand, a Short Sale, also known as a pre-foreclosure sale, can be negotiated with your lender by your Real Estate Professional if what is owed is MORE than the property's value.

**I have read this form and understand that I have several options available to me and that there may be more than those listed above. I have been advised that I should consult an Attorney and CPA. I have chosen to use Alliance Bay Realty to assist me in negotiating the Short Sale of my home.**

Borrower \_\_\_\_\_ Co-Borrower \_\_\_\_\_  
Signature \_\_\_\_\_ Signature \_\_\_\_\_  
Date \_\_\_\_\_ Date \_\_\_\_\_



**Short Sale Offer Process**

1. Offer is submitted to short sale lender after being negotiated with seller. Included in the offer are:
  - A. Purchase agreement
  - B. Short Sale Addendum
  - C. Pre-approval letter
  - D. Proof of funds to close (if applicable)No offer shall be considered complete without the three items listed above.
2. Buyer can wait until acceptance by lender is received to proceed with their appraisal and home inspection. Contingencies will need to be released within 17 days after acceptance.
3. Lender may accept or decline offer verbally with agent. This process can take anywhere from 30-60 business days. The lender may not always offer a counter offer. The offer is either accepted or declined.
4. If offer is accepted, lender will send an acceptance letter based on agreed terms and set a close-of-escrow (COE) date. The terms usually cannot be altered after the fact and most transactions are "as-is".
5. Buyer is to release contingencies within 17 days after acceptance, or as agreed in the purchase contract, and escrow is to close as soon as possible after acceptance or by COE date set forth by lender.
6. If the agreed upon COE date is late due to any fault of buyer, a fee set by the lender may be assessed.
7. If offer is declined, buyer can re-submit a higher offer for consideration. This process should take considerably less time, usually within 5 to 10 business days.
8. This entire process can take up to 90 days or longer. Patience and cooperation from all parties can make the process considerably shorter.

Above statements/conditions are acknowledged by undersigned:

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent representing Buyer

\_\_\_\_\_  
Date



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**ABR BORROWER DATA GATHERING FORM**

Date: \_\_\_\_\_

Borrower(s) Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Numbers: \_\_\_\_\_

Email Addresses: \_\_\_\_\_

Property Address: \_\_\_\_\_

Last 4 Digits of SSN: \_\_\_\_\_

Notice of Default Date: \_\_\_\_\_

Scheduled Foreclosure Date: \_\_\_\_\_

Property Liens (Other than Mortgages): \_\_\_\_\_

\_\_\_\_\_

**1<sup>st</sup> Mortgage Information**

Lender: \_\_\_\_\_

Loan #: \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Original Loan Amount: \_\_\_\_\_

Last Payment Made: \_\_\_\_\_

Current Mortgage Balance: \_\_\_\_\_

**2<sup>nd</sup> Mortgage Information**

Lender: \_\_\_\_\_

Loan #: \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Original Loan Amount: \_\_\_\_\_

Last Payment Made: \_\_\_\_\_

Current Mortgage Balance: \_\_\_\_\_

Please answer every question on this page. If you do not know the answer to particular questions, please obtain it prior to submitting the package. Also, please submit the latest mortgage statements that you have received.



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**AUTHORIZATION TO RELEASE INFORMATION**

To Whom It May Concern:

I/We hereby release my lender, its affiliates, employees, officers, agents, and directors from any claim that might arise in connection with this authorization. This authorization shall remain in effect until revoked in writing. I hereby expressly authorize **Alliance Bay Realty, Paragon Real Estate, Chicago Title, Fidelity National Title, John Kim, Antonette Llanza, and \_\_\_\_\_**, to request, obtain and verify any and all mortgage loan information, including but not limited to, payoff, arrearages, and reinstatement amounts as well as financial history and to negotiate or make any changes to payment amount, term or method negotiated on my/our behalf. The information obtained is to be used for the purpose of facilitating the resolution of my financial distress.

Property Address: \_\_\_\_\_  
\_\_\_\_\_

Loan Number: \_\_\_\_\_  
Loan Number: \_\_\_\_\_  
Loan Number: \_\_\_\_\_

Borrower Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Today's Date: \_\_\_\_\_  
SSN: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_

Co-Borrower Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Today's Date: \_\_\_\_\_  
SSN: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_



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**Cease and Desist**

First Loan #: \_\_\_\_\_ Second Loan #: \_\_\_\_\_

First Lender: \_\_\_\_\_ Second Lender: \_\_\_\_\_

Property Address: \_\_\_\_\_

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**According to the Truth In Lending law, I have the right to request that you, my lender, not contact me by phone regarding my loan being in default.** I do not wish to speak to any collection agents about this account. Please make any future communication with me in writing or if you must speak to someone regarding this account, please talk to my Agent, John Kim, Antonette Llanza, and \_\_\_\_\_ who are assisting me in selling my home. The information obtained by my agent is to be used for the purpose of facilitating the resolution of my financial distress.

Borrower Signature: \_\_\_\_\_ Borrower Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Social Security # \_\_\_\_\_ Social Security # \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**CONTACT INFO:**

John Kim  
(408) 205-3874  
BayAreaREGuy@yahoo.com

Antonette Llanza  
(510) 742-6600 ext. 2646  
OpenContracts@yahoo.com



## Hardship Letter Guidelines

Remember to state the following items in your HANDWRITTEN hardship letter:

1. **Hardships** – What are your hardships (current and past). For example – unemployed, car accident, medical problems (personal or family), etc. Go into a little detail about each hardship. The following are the most important messages to get across to the Lender:
  - a. Why you will not be able to be current again on your loan.
  - b. We do not have enough income to make these payments.
  - c. We are leaving the property.
2. **Your Assets** – Explain that you have no assets with which to continue paying.
3. **Any signed exemptions of documents** – If you do not have bank statements, pay stubs or tax returns, you will need to explain the reason in more detail in your letter as to “why” you cannot provide those documents. (i.e. I’ve been unemployed for 6 months and have not been able to find work) Note- realize that if you don’t have tax returns, then the bank will ask for Extension-Fillings. So, if you don’t have Extension-Fillings either, explain why in this letter. (i.e. “I haven’t worked in over 2 years and so I haven’t filed taxes nor extensions”, or “I haven’t filed my tax returns for the past 2 years and I failed to file extensions as well).
4. **Bankruptcy** – You could also mention “I don’t want to have to file bankruptcy”.

## Sample Hardship Letter

[\*Remember, YOU must handwrite your own Hardship Letter to the Lender(s)]

To Whom It May Concern:

I have been unable to make my payments on my house, and I am now facing foreclosure. My inability to keep up with the monthly payments is the result of (loss of job, illness, accident, death or disability of a wage earner – describe in detail what your hardship is)

In spite of my current financial difficulties, I expect that it will only get (better / worse). I am not in a position to continue making my mortgage payments. This was not at all what I intended but I have come to the conclusion that this is my only option.

Your help and consideration in this matter are very much appreciated.

{Signature}

{Date}

{Printed Name}



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**SELLER HARDSHIP LETTER**

Date:  
Lender:  
Attn: Loss Mitigation

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

To Whom It May Concern:

I purchased my home in 2004 and we had the income at the time to support the mortgage. In early 2006, my mother was diagnosed with Alzheimer's Disease and needed to be put in a nursing home which was very expensive. She later passed away in November 2006 and my husband lost his job and has since taken a significance cut in pay. We love our home and do not want to lose it but we have come to terms with the fact that we cannot afford to keep it. This left me with the financial burden of paying the mortgage. I make \$35,000 annually and I have exhausted all of my savings, IRAs and my children's college funds, which I used to keep the mortgage payments current until May 2007.

In May 2007, I was no longer able to make payments and inquired about partial payments, payment plans, and refinance; I was denied on all accounts. In July 2007, I put the house up for sale with (*Your Agent's Name and Brokerage Firm*) who specializes in pre-foreclosure properties and short sales.

My financial situation cannot sustain a home mortgage of nearly \$2800 per month. I want to sell the home, avoid foreclosure and salvage my credit. I know that a foreclosure on my record will affect me for years to come, I would ask that you please assist me in avoiding this.

Since the house has been on the market this is the only offer that we have received. Please accept this offer as payment in full. My agent will continue to market the house.

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

Sincerely,

Jane Seller



**Copies of last 2 Pay Stubs**

(I am / We are) unemployed / self-employed and have no Pay-Stubs to provide.

\_\_\_\_\_  
Borrower:

\_\_\_\_\_  
Co-Borrower:

**Copies of last 2 months Bank Statements**

(I / We) no longer have a checking account, so (I am / we are) unable to provide any Bank Statements.

\_\_\_\_\_  
Borrower:

\_\_\_\_\_  
Co-Borrower:

**Copies of last 2 Year Tax Returns**

(I / We) have not done (my / our) taxes for the past 2 years, and (I / we) failed to file any extensions.

\_\_\_\_\_  
Borrower:

\_\_\_\_\_  
Co-Borrower:





# Monthly Expense Statement

| Expense Item                   | Current | Proposed | Expense Item                 | Current | Proposed |
|--------------------------------|---------|----------|------------------------------|---------|----------|
| <b>Housing</b>                 |         |          | <b>Family</b>                |         |          |
| 1st Mortg. Payment             |         |          | Life Insurance               |         |          |
| 2nd Mortg. Payment             |         |          | Day Care/Baby Sitting        |         |          |
| Property Tax (Monthly)         |         |          | Allowences/Spending Money    |         |          |
| Insurance (Monthly)            |         |          | Alimony/Child Support        |         |          |
| HOA Dues                       |         |          |                              |         |          |
| Repairs/Maint.                 |         |          | <b>Education</b>             |         |          |
| 2nd Property - 1st Mtg Payment |         |          | Tuition/school Expenses      |         |          |
| 2nd Property - 2nd Mtg Payment |         |          | Music or Other Lessons       |         |          |
| 2nd Property - Property Tax    |         |          | Student Loans                |         |          |
| 2nd Property - Insurance       |         |          |                              |         |          |
| 2nd Property - HOA Dues        |         |          | <b>Donations/Church</b>      |         |          |
| 2nd Property - Repairs/Maint.  |         |          |                              |         |          |
|                                |         |          | <b>Entertainment</b>         |         |          |
| <b>Utilities</b>               |         |          | Videos/CD's                  |         |          |
| Electricity and Gas            |         |          | Sports/Hobbies/Fitness Club  |         |          |
| Garbage/Water/Sewr             |         |          | Vacations                    |         |          |
| Telephone                      |         |          | Subscriptions                |         |          |
| Cellular                       |         |          |                              |         |          |
| Cable/Satellite                |         |          | <b>Personal</b>              |         |          |
| Internet                       |         |          | Barber/Hair Salon            |         |          |
|                                |         |          | Toiletries/Cosmetics         |         |          |
| <b>Food</b>                    |         |          | Tobacco/Alcohol              |         |          |
| Groceries/Household Supplies   |         |          |                              |         |          |
| Food Purchased at Work         |         |          | <b>Misc.</b>                 |         |          |
| School Lunches                 |         |          | Pet Care                     |         |          |
| Meals Out                      |         |          | Gifts                        |         |          |
|                                |         |          | Dues                         |         |          |
| <b>Trasnportation</b>          |         |          | Bank Charges/Postage         |         |          |
| Car Payment #1                 |         |          | Taxes (Non-Property)         |         |          |
| Car Payment #2                 |         |          | Misc.                        |         |          |
| Gas                            |         |          |                              |         |          |
| Insurance (Monthly)            |         |          | <b>Debt Payments</b>         |         |          |
| Registration and Licensing     |         |          | Credit Cards                 |         |          |
| Parking/Tolls/Other            |         |          | Personal Loans               |         |          |
|                                |         |          | Collection Accounts          |         |          |
| <b>Clothing</b>                |         |          | Income Prop. Mtg. Payments   |         |          |
| Clothing Purchases             |         |          | Other                        |         |          |
| Laundry/Dry Cleaning           |         |          |                              |         |          |
|                                |         |          |                              |         |          |
| <b>Health Care</b>             |         |          |                              |         |          |
| Deductibles/Co-Pays            |         |          |                              |         |          |
| Un-insured Dental/Eye Etc.     |         |          | <b>Total Expenses</b>        |         |          |
| Prescriptions                  |         |          | <b>Gross Monthly Income</b>  |         |          |
| Other                          |         |          | <b>Net Montly Income</b>     |         |          |
|                                |         |          | <b>Net Disposable Income</b> |         |          |

\_\_\_\_\_  
Printed Name / Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name / Signature

\_\_\_\_\_  
Date

# CEASE AND DESIST & AUTHORIZATION AND RELEASE FORM

|                              |  |
|------------------------------|--|
| <b>Property Address:</b>     |  |
| 1 <sup>st</sup> Lender Name: |  |
| 1 <sup>st</sup> Loan #:      |  |
| 2 <sup>nd</sup> Lender Name: |  |
| 2 <sup>nd</sup> Loan #:      |  |
| 3 <sup>rd</sup> Lender Name: |  |
| 3 <sup>rd</sup> Loan #:      |  |

I hereby grant full authorization with no restrictions to the people listed below to request, obtain, change and verify any and all mortgage loan information, including, but not limited to, payoff, arrearage, and reinstatement amounts as well as financial history. The information obtained by my agent is to be used for the purpose of facilitating the resolution of my loan and/or the sale of my house. This authorization is valid until revoked in written by the borrower or when the loan is paid in full.

**According to the Truth In Lending law, I have the right to request that you, my lender, not contact me by phone regarding my loan being in default.** I do not wish to speak to any collection agents about this account. Please make any future communication with me in writing or, if you must speak to someone regarding this account, please talk to the persons listed below who are assisting me with my loan modification and/or in selling my home.

| Name              | Title          | Phone                    | Email                   |
|-------------------|----------------|--------------------------|-------------------------|
| John Kim          | Agent          | (408) 205-3874           | BayAreaREGuy@yahoo.com  |
| Antonette Llanza  | Assistant      | (510) 742-6600 ext. 2646 | OpenContracts@yahoo.com |
| Ian St. Hill      | Assistant      | (510) 742-6600           | Ian.StHill@gmail.com    |
| Yvonne SantaMaria | Escrow Officer | (510) 797-4777           | YMaria@fnf.com          |

|              |           |      |
|--------------|-----------|------|
| Printed Name | Signature | Date |
|--------------|-----------|------|

SSN: \_\_\_\_\_ DOB: \_\_\_\_\_

|              |           |      |
|--------------|-----------|------|
| Printed Name | Signature | Date |
|--------------|-----------|------|

SSN: \_\_\_\_\_ DOB: \_\_\_\_\_

**CONTACT INFO:**

John Kim  
(408) 205-3874  
BayAreaREGuy@yahoo.com

Antonette Llanza  
(510) 742-6600 ext. 2646  
OpenContracts@yahoo.com



# Foreclosure vs. Short Sale

| LOAN   | FORECLOSURE  | SUCCESSFUL SHORT SALE  |
|--|--|--|
| <b>FUTURE LOANS - PRIMARY RESIDENCES</b>     |  |  |
| Fannie Mae <sup>1</sup>                      | A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .  | A homeowner who successfully negotiates and closes a short sale will be eligible for a Fannie Mae-backed mortgage after only <b>2 years</b> .            |
| FHA Loan - Late                              | A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .  | <b>3 years</b> from the date the FHA insurance claim is paid to the lender - not the date of the short sale closing                                      |
| FHA Loan - Current                           | A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .  | <b>No Wait</b> - borrower must be current on all obligations, including installment debt   |
| VA Loan - Late                               | A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .  | <b>3 Years</b>   |
| VA Loan - Current                            | A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .  | <b>3 Years</b>   |
| Conventional loan - Late*                    | A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .  | <b>2 Years</b>   |
| Conventional Loan - Current*                 | On any future 1003 application, a prospective borrower will have to answer YES to question C in Section VIII of the standard 1003 that asks "Have you had property foreclosed upon or given title or deed in lieu thereof in the last <b>7 years</b> ?" this will affect future rates. | <b>No Wait</b> - borrower must be current on all obligations, including installment debt   |
| <b>FUTURE LOANS - NON-PRIMARY RESIDENCES</b> |  |  |
| Fannie Mae Loan                              | An Investor who allows a property to go to Foreclosure is ineligible for a Fannie Mae backed investment mortgage for a period of <b>7 years</b> .  | An investor who successfully negotiates and closes a short sale will be eligible for a Fannie Mae backed investment mortgage after only <b>2 years</b> . |
| Conventional loan - Late*                    | On any future 1003 application, a prospective borrower will have to answer YES to question C in Section VIII of the standard 1003 that asks "Have you had property foreclosed upon or given title or deed in lieu thereof in the last <b>7 years</b> ?" this will affect future rates. | <b>7 Years</b>   |
| Conventional Loan - Current*                 | On any future 1003 application, a prospective borrower will have to answer YES to question C in Section VIII of the standard 1003 that asks "Have you had property foreclosed upon or given title or deed in lieu thereof in the last <b>7 years</b> ?" this will affect future rates. | <b>5 Years</b>   |



# Foreclosure vs. Short Sale

| ISSUE                        | FORECLOSURE  | SUCCESSFUL SHORT SALE   |
|------------------------------|--|---|
| Credit Score                 | Score may be lowered anywhere from <b>250 to over 300 points</b> . Typically will affect score for over <b>3 years</b> .   | Only late payments on mortgage will show, and after sale, mortgage is normally reported as 'paid as agreed', 'paid as negotiated', or 'settled'. This can lower the score as little as <b>50 points</b> if all other payments are being made. A short sale's effect can be as brief as <b>12 to 18 months</b> . |
| Credit History               | Foreclosure will remain as a public record on a person's credit history for <b>10 years or more</b> .  | A Short Sale is <b>not reported on a persons credit history</b> . There is no specific reporting item for 'short sale'. In most cases a loan is typically reported 'paid in full, settled' or 'paid as negotiated'.   |
| Security Clearances          | Foreclosure is the most challenging issue against a security clearance outside of a conviction of a serious misdemeanor or felony. If a client has a foreclosure and is a police officer, in the military, in the CIA, Security, or any other position that requires a security clearance in almost all cases clearance will be revoked and position will be terminated. | On its own, a short sale <b>does not challenge most security clearances</b> . <sup>3</sup>  |
| Current Employment           | Employers have the right and are actively checking the credit regularly of all employees who are in sensitive positions. A foreclosure in many cases is ground for immediate <b>reassignment or termination</b> .  | A short sale is not reported on a credit report and is therefore <b>not a challenge to employment</b> . <sup>4</sup>  |
| Future Employment            | Many employers are requiring credit checks on all job applicants. A foreclosure is one of the most detrimental credit items an applicant can have and in <b>most cases will challenge employment</b> .   | A short sale is not reported on a credit report and is therefore <b>not a challenge to employment</b> . <sup>5</sup>  |
| Deficiency Judgment          | In <b>100% of foreclosures</b> (except in those states where there is no deficiency) the bank has the right to pursue a deficiency judgment.   | In some successful short sales it is possible to convince the lender to <b>give up the right to pursuit a deficiency judgment</b> against the homeowner.  |
| Deficiency Judgment (amount) | In a foreclosure the home will have to go through an REO process if it does not sell at auction. In most cases this will result in a lower sales price and longer time to sale in a declining market. This will result in a higher possible <b>deficiency judgment</b> .   | In a properly managed short sale the home is sold at a price that should be close to market value and in almost all cases will be better than an REO sale resulting in a <b>lower deficiency</b> .  |

1 Fannie Mae Announcement 08-16: Michael A. Quinn, Senior Vice President, Single-Family Risk Officer

2 Fannie Mae Announcement 08-16: Michael A. Quinn, Senior Vice President, Single-Family Risk Officer

3 Short sales are currently not explicitly reported on a credit report.

4 Short sales are currently not explicitly reported on a credit report.

5 Short sales are currently not explicitly reported on a credit report.

\*Availability varies by lender

\*\*Does not offer second-property loans

SOURCES:

MORTGAGEE LETTER 09-52, 4155.1 CHAPTER 4.C.2 effective date Dec 16 2009

<http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/2009ml.cfm>



# HAFAs Forms Checklist

## SHORT SALE AGREEMENT (SSA) CHECKLIST

CERTIFIED DISTRESSED  
PROPERTY EXPERT®

\_\_\_\_\_

Date

\_\_\_\_\_

Owner

\_\_\_\_\_

Address

\_\_\_\_\_

Prepared by

### GUIDE

If your client has:

- Not received an offer to buy the property  
Short Sale Agreement ..... page 1
- Has completed a Short Sale Agreement  
Request for Approval of Short Sale ..... page 2
- Has received an offer to buy the property  
Alternative Request for Approval of Short Sale ..... page 3

### SHORT SALE AGREEMENT (SSA) CHECKLIST

- Do you have a completed listing agreement?
- Has your client signed an Arm’s Length Transaction Affidavit?
- Have you completed the HAFAs Clause Checklist by including necessary clauses in the Listing Agreement?
- Have you obtained a signed HAFAs subordinate lien holder authorization and release form from subordinate lien holders?
- Have you requested the SSA? If so, when? \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_
- Do you agree to the terms and conditions of the SSA? 120 days to market and obtain contract maximum of 6% commission
- Has your client reviewed the terms and conditions of the SSA?
- Has the SSA been signed by broker, agent and borrower?
- Have you filled out all the necessary information about yourself on the SSA, page A-7?
- Have you attached information on subordinate liens to the SSA?
- Have you attached a completed listing agreement to the SSA?



# HAFAs Forms Checklist

## ALTERNATIVE REQUEST FOR APPROVAL OF SHORT SALE AGREEMENT CHECKLIST

CERTIFIED DISTRESSED  
PROPERTY EXPERT®

- Is your client eligible for a HAFAs short sale?
- Has your client received an offer from a buyer for a short sale?
- Have you reviewed the Alt. RASS terms and conditions?
- Has your client reviewed the Alt. RASS terms and conditions?
- Has your client signed an Arm’s Length Transaction Affidavit?
- Have you attached the following documents?
  - Signed Request
  - Copy of a signed listing agreement with a real estate broker (you), if applicable
  - Executed copy of the sales contract and all addenda
  - Necessary clauses (found in HAFAs Clause Checklist) have been added to sales contract
  - Buyer’s documentation of funds or Buyer’s pre-approval or commitment letter on letter head from a lender
  - Information about other liens secured by your home such as home-equity loans;
  - (If applicable:) Completed and signed Hardship Affidavit form or Request for Modification Affidavit (RMA)

### APPROVAL

- If the servicer has not returned approval or disapproval of short sale section within 10 days, have you followed escalation procedures?

| If Approved  | If Denied   |
|--|---|
| Review Approval of Short Sale for changes to terms   | Review the Disapproval of Short Sale with your client                             |
| Follow all closing instructions provided by servicer   | Extend the listing agreement  |
| Submit HUD-1 Settlement Statement to servicer no later than one business day before closing date | Contact the lender if you feel like your client has been incorrectly disapproved. |



# HAFA Forms Checklist

## REQUEST FOR APPROVAL OF SHORT SALE AGREEMENT (RASS) CHECKLIST

CERTIFIED DISTRESSED  
PROPERTY EXPERT®

- Has the SSA been submitted within 14 days of the SSA Effective Date? If so, when? \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.
  
- Do you acknowledge that the Servicer will not review a sales contract unless a Request for Approval of Short Sale, attached as Exhibit A1, is completed?
  
- Are you prepared to send a Request to Approve a Short Sale (RASS) form within 3 business days of receiving an offer?
  
- Do you agree that in the event of a conflict between the terms of the listing agreement and the terms agreed to by the borrower in the RASS, the listing agreement will be deemed amended to conform to the terms of the RASS?
  
- Have you reviewed the Terms of Sale with your client?
  
- Did you obtain a written commitment (HAFA Lien Holder Authorization And Release Form) from the subordinate lien holder that it will release Borrower from all claims and liability relating to the subordinate lien in exchange for receiving the agreed upon pay off amount?
  
- Is the Sales Contract and Addenda attached to the RASS?
  
- Have you completed the HAFA Clause Checklist by including necessary clauses in the Sales Contract?
  
- Is the HAFA Lien Holder Authorization And Release Form attached to the RASS?
  
- Is the Buyer's documentation of funds or buyer's pre-approval or commitment letter or letterhead from lender attached to the RASS?

### APPROVAL

- If servicer has not returned approval or disapproval of short sale section within 10 days, have you followed escalation procedures?

| If Approved  | If Denied   |
|--|---|
| Review Approval of Short Sale for changes to terms   | Review the Disapproval of Short Sale with your client                             |
| Follow all closing instructions provided by servicer   | Extend the listing agreement  |
| Submit HUD-1 Settlement Statement to servicer no later than one business day before closing date | Contact the lender if you feel like your client has been incorrectly disapproved. |