



## GUARANTY TITLE AGENCY'S SHORT SALE PROCESSING UNIT

### OUR SHORT SALE DEPARTMENT WILL...

- **CONTACT LENDER:** Contact lender's Loss Mitigation Departments to begin short sale process and determine specific needs for the individual case.
- **COLLECT & SUBMIT:** Collect specific information dictated by bank from seller. Submit this short sale package to bank and receive confirmation of submissions.
- **CONTINUOUS CONTACT & EMAIL UPDATES:** Weekly status reports obtained from Lender and emailed to all parties. Escalate file for approval if the bank is taking too long to approve.
- **STRATEGIC LEGAL PARTNERS:** Available as an additional outside service to examine approval letter for language preventing hidden or unusual lender requirements that could get you into legal disputes later. Further, these strategic partners will work with the sellers to provide appropriate opinions regarding potential deficiency judgment liability, as well as tax implications, among other matters. (Costs dependent upon services required.)
- **SEND OUT APPROVAL:** Send approval letter to Listing Agent and Seller for acceptance.
- **MANAGE CHANGES:** Manage any changes made in Lender Requirements.

**Jenna Shaw**, CDPE Certified  
Short Sale Coordinator  
Phone (602) 569-7800 ~ Fax (602) 503-4552  
[shortsale@qta-az.com](mailto:shortsale@qta-az.com)

#### IMPORTANT NOTICE

You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance obtained from your lender [or servicer]. If you reject the offer and do not complete the short sale you do not have to pay us. If you accept the offer and close the short sale you will have to pay us the agreed Short Sale Escrow fee for our services set forth in the Terms and Conditions. Guaranty Title Agency of Arizona is not a Short Sale Negotiator and is not associated with the government. Even if you accept this offer and use our escrow services, your lender may not agree to change your loan. If you stop paying your loan or mortgage, you could lose your home and damage your credit rating.



## **Guaranty Title Agency's - SHORT SALE Q & A**

**What is a Short Sale?** A short sale is one of several other alternatives to foreclosure proceedings for homeowners who can no longer afford to make their mortgage payments. More specifically, it is the process by which a homeowner can sell a house for less money than actually owed on the mortgage(s).

**How Long Does a Short Sale Take?** On average, the process can take between 45 to 90 days but sometimes may take as long as 6 months. Many lenders are reconstructing their process to make them more efficient but there are still many challenges.

**What all is involved in the Short Sale Process?** A short sale begins with a listing agreement signed with an agent subject to selling the property as a short sale and with third party approval. Once a buyer is found, the offer price is submitted to the seller's lender along with a "Hardship Package". This hardship package consists of supporting documentation proving financial hardship. Required documentation for this "Hardship Package" varies slightly with every lender. The seller is given a short sale negotiator who will then go over all of the submitted documentation and either accept or counter the initial offer. Once the lender has agreed to the purchase contract with an official "Approval Letter" escrow can then be opened on the property.

### **What are the qualifications for a Short Sale?**

**A Dramatically decreased Market Value on a home:** This must be substantiated by comparable sales.

**A Mortgage that is in or Near Default:** Many lenders are beginning to accept short sales even if the loan payments are current to reduce potential default and future problems/cost.

**The Homeowner has Experienced a Legitimate Hardship:** The homeowner must submit a letter of hardship that explains why they can not (or will not be able to) make their payments or pay the difference due upon sale. Examples are: Unemployment, Death, Divorce, Medical reasoning, Bankruptcy.

**The Homeowner Has No Assets.** The lender will most likely require a copy of the homeowner's tax returns and financial statements to make sure that the homeowner does not have the assets available to aid in paying their loan.

**Why would a lender agree to a short sale?** By accepting a Short Sale, a lender can save considerable time and money. It has been estimated that the average foreclosure cost to a lender is between \$65,000 and \$85,000 and the time it takes to get rid of the property is around 18 months. Because of these drastically high numbers, lenders are generally discounting their loans up to 30%.

**Why would a lender reject a Short Sale?** The typical reason that a lender will reject the Short Sale request is an unacceptable offer (i.e. low offer, secondary lender refusal). Many people believe that you should start with a low price and negotiate up. This is not the case in a short sale. Sales must be realistic to begin with. Remember that all lenders must also answer to their own investors who are continually monitoring their performance.

**What are the benefits of a short sale to the homeowner?** The homeowner is saved the stress of going through a foreclosure, being hounded by the lender and eventually evicted. In a Short Sale, the homeowner takes part in deciding how and when to leave. Once the property is sold, the homeowner can start fresh and begin thinking of buying a home again in only two years according to *Housing Assist*. Although a short sale does show up on a credit report, it proves to creditors that you were an active agent in fixing your difficult financial situation.

**Am I able to do a Short Sale if I have a second mortgage?** Yes, in most cases a short sale can occur on a property with multiple loans; however the successful closing of a short sale is dependent on acceptance of a settlement by the secondary lien holders of record. All lenders must be notified and included in the process from the beginning.

**How does Guaranty Title fit into this process?** Guaranty Title does not take part in negotiations. Rather, we help facilitate communication between all parties, determine the required documentation for each lender and for each specific case, and help collect and distribute all information. Our short sale department maintains constant contact with the lenders to make sure the process is completed in a smooth and timely manner. We can also refer your customers to our strategic legal partners who, at an additional cost, can review all necessary documentation for language to prevent any future legal disputes.



## SHORT SALE QUESTIONNAIRE

### Applicant Information

Full Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_  
Co-Applicant Full Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Cell: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Email: \_\_\_\_\_@\_\_\_\_\_  
Property Address: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_

### Financial Information

Lender \_\_\_\_\_ Loan Amount: \$ \_\_\_\_\_  
Loan Type \_\_\_\_\_ Loan # \_\_\_\_\_  
Lender \_\_\_\_\_ Loan Amount: \$ \_\_\_\_\_  
Loan Type \_\_\_\_\_ Loan # \_\_\_\_\_  
Delinquent on any liens? Y / N If yes, how many months? \_\_\_\_\_  
Are your property taxes current? \_\_\_\_\_  
Have you filed for Bankruptcy? If so, date and chapter? \_\_\_\_\_

### Property Information

Listed with agent? If yes, name of agent: \_\_\_\_\_ Phone/email: \_\_\_\_\_  
Do you already have a buyer? \_\_\_\_\_ If yes, buyer's name \_\_\_\_\_

After Completion, Fax this Document to  
(602) 503-4552 or Email to  
[shortsale@gta-az.com](mailto:shortsale@gta-az.com)

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# AUTHORIZATION FORM

I hereby authorize Guaranty Title Agency whose phone number is (602) 569-7800 and fax number is (602) 503-4552 to verify any and all information pertaining to the mortgage or property detailed below and any other financial information pertaining to this property, including homeowners association, taxes, liens, and any other encumbrances.

It is understood a photocopy or fax of this form will also serve as authorization.

**Property**.....

Property Address

City State Zip

**1<sup>ST</sup> MORTGAGE**.....

Mortgage Company

Account Number

**2<sup>ND</sup> MORTGAGE**.....

Mortgage Company

Account Number

**LISTING AGENT** .....

Agent Name

Company Name

Phone Number

**AUTHORIZED BY** .....

Borrower Signature

Social Security Number

Borrower Printed Name

Today's Date

Co-Borrower Signature

Social Security Number

Co-Borrower Printed Name

Today's Date

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## Privacy Policy Notice

We are committed to safeguarding customer information; When we request information from you or about you, it is for our own legitimate business purposes and not for the benefit of any unaffiliated party; We use personal consumer information only for legitimate business purposes in a manner consistent with title insurance and escrow practices in compliance with applicable laws and regulations; We will obey the laws governing the collection, use, and dissemination of personal data; and we will endeavor to educate our employees on the responsible collection and use of personal information.

### PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally requires a financial institution (which term includes title insurers, underwritten title companies and those providing real estate settlement services) to disclose to all its customers the privacy policies and practices with respect to information sharing of consumer nonpublic personal information with both affiliates and non-affiliated third parties. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of GUARANTY TITLE AGENCY. Disclosure does not apply to business, commercial or agricultural transactions.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or other.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent, lender, surveyor or appraiser.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliated third parties as permitted by law. This includes, but is not limited to, a title plant operated by DATA TRACE, a division of Smart Title Solutions. In order to effect, administer and enforce the title insurance transaction, and in order to protect against actual or potential fraud, unauthorized transactions, claims or other liability, information related to the issuance of the title policy, its amount and the exceptions to coverage therein, is provided to non-affiliated title plants which house not only land title public records and information regarding the physical characteristics of the property, but also information regarding the issuance of this and other title policies and title exceptions therein. The title plant information is available for the use of all licensed title insurance companies or underwritten title companies participating in the title plant and doing business in the county in which the property is located. **WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU TO ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**