

Jason Roberts & Rachel Schneider
present

REI BLUEPRINT



SHORT SALE

2-DAY IMMERSION

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INTRODUCTION TO SHORT SALES

WHAT IS A SHORT SALE?

A **short sale** is a sale of real estate in which the proceeds from selling the property will fall short of the balance of debts secured by liens against the property, and the property owner cannot afford to repay the liens' full amounts and where the lien holders agree to release their lien on the real estate and accept less than the amount owed on the debt. Any unpaid balance owed to the creditors is known as a deficiency. Short sale agreements do not necessarily release borrowers from their obligations to repay any shortfalls on the loans, unless specifically agreed to between the parties. A short sale is often used as an alternative to foreclosure because it mitigates additional fees and costs to both the creditor and borrower.

JUDICIAL VS. NON-JUDICIAL

Foreclosure is the legal process whereby the mortgagee (lender) takes possession of a mortgaged property when the mortgagor (borrower) fails to keep up with their mortgage payments.

The foreclosure filing process is dictated by each state independently. States allow for three options of foreclosure: **Judicial Foreclosure**, **Non-Judicial Foreclosure** or allows for either/or.

A **Judicial Foreclosure** is a foreclosure that goes through the court system. In states that utilize the judicial foreclosure process, the mortgage does not contain a power of sale clause and the lender must prove that the borrower has defaulted on their loan. Because the courts are involved, this is a lengthy process that typically takes 6 months up to 2 years.

A **Non-Judicial Foreclosure** is a foreclosure done outside the court system. Mortgages that contain a power of sale clause allow the lender to initiate a foreclosure sale without involving the courts. The lender files a "Notice of Default" and notifies the borrower of their impending foreclosure. Because the courts are not involved, this process is substantially shorter and takes between 1 month and 1 year.

Some states allow for the lender to decide which type of foreclosure they would like to pursue. Those states that do allow for both types, primarily do one over the other.

For a list of State's Foreclosure Filing Processes and timelines, click [HERE](#).

POWER OF SALE CLAUSE/PROVISION

A **power of sale clause/provision** states that the borrower pre-authorizes the sale of the property by way of a non-judicial foreclosure to pay off the balance of the loan. This clause is found in the Deed of Trust or Mortgage a borrower signs when taking out a loan. This is the instrument a lender uses to foreclose on a property without oversight.

The process for applying the power of sale clause/provision varies by state. Each state sets forth strict guidelines the lender must follow in order to apply the clause. These guidelines include notification timelines and language requirements as well as instructions and parameters involving waiting periods.

For a list of states that allow power of sale clauses, click [HERE](#)

DEFICIENCY JUDGMENT

A **deficiency judgment** is a ruling made by a court against a debtor in default on a secured loan, indicating the sale of the property to pay back the loan did not cover the outstanding balance of the debt in full. In layman's terms, this is a ruling by a court that requires a homeowner to payback the difference in the amount owed versus what the property sold for, i.e. the deficiency. This judgment is a personal judgment against the homeowner. Most states allow for deficiency judgments.

For example, Joe homeowner has a balance due on a home loan of \$300,000. The home sells for \$250,000 at a foreclosure sale, thus creating a deficiency of \$50,000. The lender can file for a deficiency judgment against Joe Homeowner, requiring him to pay the balance difference (deficiency).

To research laws regarding deficiency judgments in your state, click [HERE](#)

One of the benefits to a homeowner agreeing to a short sale is the ability to negotiate a deficiency waiver. A **deficiency waiver** is a clause in a short sale approval agreement wherefore the lender/bank forgives the difference between what is owed and what the house is sold for; lender forfeits the right to file for a deficiency judgment.

RIGHT OF REDEMPTION

A **right of redemption** is the right of the homeowner in foreclosure to “redeem” the mortgage and keep the house by paying a defined/preset sum of money within a defined amount of time. This right is outlined/defined in their mortgage note. The amount needed to redeem their property generally includes all monies owed to date, costs incurred during the foreclosure process and may require the entire mortgage balance to be paid in full, if the payoff comes after the foreclosure.

A homeowner can exercise their right of redemption during a stated time frame called a **redemption period**. All states allow for a borrower to exercise their right of redemption prior to the foreclosure filing. This is known as a **pre-foreclosure equitable right of redemption**. About half of all states allow for a homeowner to exercise their redemption rights after the foreclosure sale, this is called a **post-foreclosure statutory right of redemption**. Each state outlines the length of time allowed for exercising a homeowner’s statutory right of redemption as well as guidelines for how much is required for repayment.

For a list of State’s Redemption Periods and guidelines, click [HERE](#).

SHORT SALE RELATIONSHIP RESTRICTIONS

Short sales and the short sale process are governed by strict rules that both the lender/bank, seller/homeowner and buyer must follow. One of these rules involves the relationships of all parties to one another. To avoid a seller profiting from a deal, i.e. committing mortgage fraud, lenders/banks require that parties involved in the short sale process must be at arm’s-length, thus insuring an arm’s length transaction. An **arm’s length transaction** is a transaction in which buyers and sellers act in their own self-interest; insures there is no collusion between buyers and sellers. Each party involved in the transaction has no pre-existing relationship with one another.

Certain **non-arm’s length transaction** (a transaction that involves related parties) exceptions do exist, but be careful as they are narrow in scope. Relationships that are classified as non-arm’s length and thus not allowed include (cannot be the same or related): buyer and lender, buyer and homeowner, as well as buyer and agent. It is also good to note that some banks do not allow for one individual to be both the buyer and negotiator as they classify this as non-arm’s length. Be sure to research the lender/bank you are working with requirements thoroughly to avoid any issues.

LENDER'S MOTIVATION

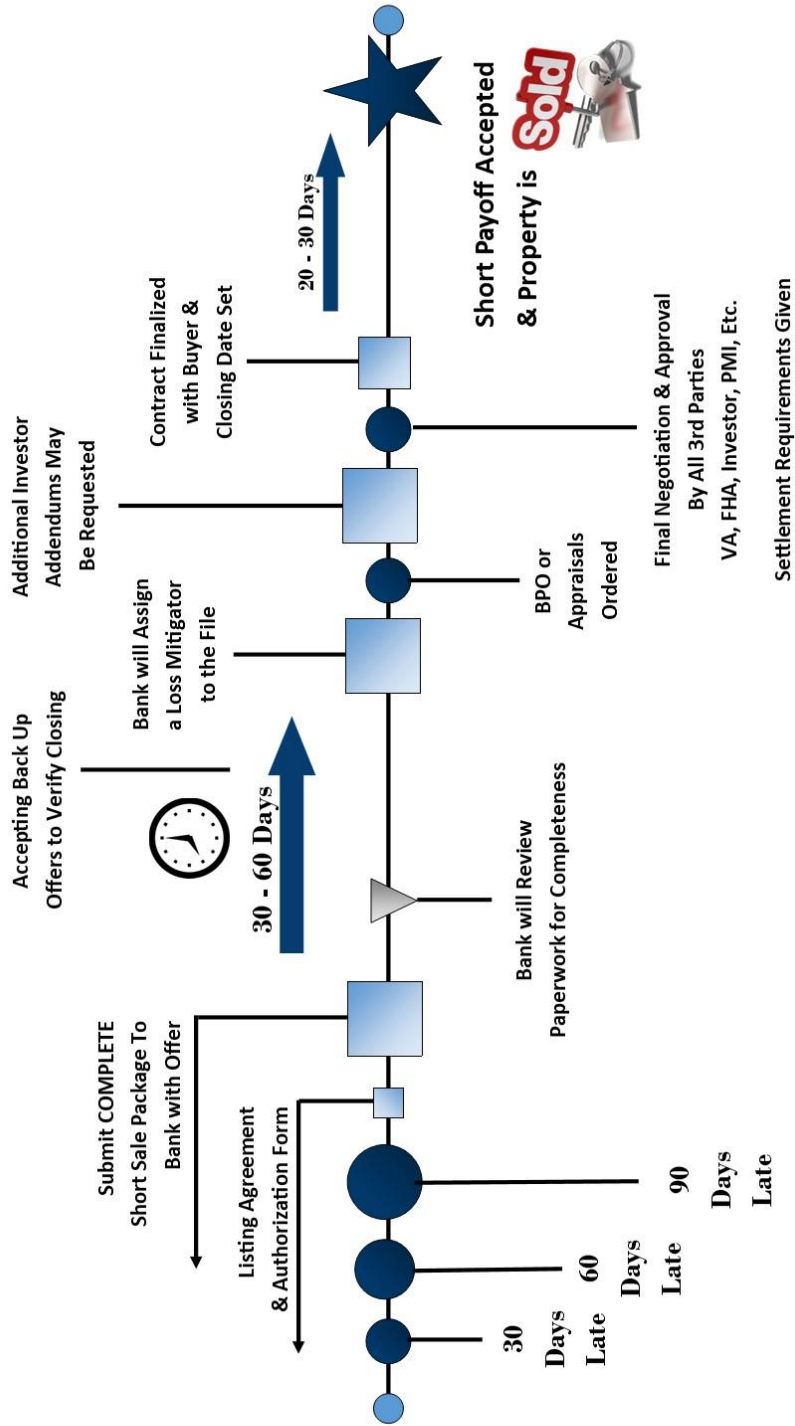
A short sale may seem like it serves to be a one-sided, exclusively beneficial to the homeowner, transaction. Homeowners are able to avoid facing a foreclosure on their credit while at the same time able to negotiate out of a debt they cannot pay back and if negotiated correctly, waived of having to payback any deficiency that may occur during the process. It may beg the question as to why the lender would agree to such a transaction.

There are many advantages to a lender accepting a short sale that may not be readily apparent. First and foremost, we must remember that banks make money by lending on secured assets. When a person defaults on their property, the lender is no longer making money on that asset; it becomes a liability rather than an asset and prevents them from lending out additional money to recoup the loss. Holding too many foreclosed properties, in turn affects a bank's rating with the FDIC (Federal Deposit Insurance Corporation) thus limiting their lending capabilities. Secondly, the foreclosure process is an expensive endeavor for lenders. Not only is there the loss in interest income, there is also substantial attorney and legal fees as well as holding costs involved with their new found ownership of the property. Finally, depending on a lender's lien position (2nd, 3rd, 4th, etc.), they may be left redeeming none of the money owed to them after the foreclosure sale. A short sale may allow them to redeem some of the money they otherwise would not be able to collect.

Example:

The house at 123 Main Street has three mortgages. At the foreclosure auction, the house sells for \$200,000. Lender A (1st Lien Position) is owed \$175,000, Lender B (2nd Lien Position) is owed \$25,000, Lender C (3rd Lien Position) is owed \$20,000, since all monies were used paying off the 1st and 2nd lien, Lender C is left with nothing. A short sale could negotiate all three liens simultaneously allowing for Lender C to recoup some of their loss.

Short Sale Timeline



* Typical Short Sale Timeline, Actual Lender Timeline May Vary

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BUILDING YOUR TEAM

KEY TEAM MEMBERS

As with all real estate investing strategies, having a team of reliable and qualified team members to help you through the process is key. This is never more important than in dealing with short sales. As we discussed above, short sales require arm's length transactions with all parties, thus requiring a team of key players. Typical team members include a **real estate agent**, a **title company or closing attorney** and a **negotiator**. Since short sales require constant communication and coordination, it is imperative that you thoroughly vet all team members involved.

REAL ESTATE AGENT

Unlike other real estate investing strategies that can be completed without the help of a licensed real estate agent, short sales require the participation of a real estate agent in order to complete the process. A short sale requires you to not only negotiate with the homeowner to arrive at an acceptable buying price but also the lender; in essence you are negotiating a sales price with two separate parties.

As we discussed above, a homeowner's motivation to complete a short sale is to avoid foreclosure and a deficiency waiver. A lender on the other hand wants to avoid having to foreclose on a property but at the same time wants to recoup most, if not all of the money they have invested into the transaction. In order to do this, they require that the property be listed on the MLS (Multiple Listing Service) to derive the highest offer on the house as well as a listing contract to work the short sale. Additionally, some lenders require a licensed real estate agent for 3rd party authorizations and to gain access to short sale software used to negotiate.

Since a real estate agent is required for all short sale negotiations you can see why it is imperative to thoroughly vet a potential agent partner. Be prepared to meet several different agents; do not agree to team up with the first agent you meet or the one that claims to have "a lot of short sale experience".

Key questions and attributes you are looking for:

- ***Does their state and/or brokerage allow transactional agents?*** (agent that assists buyers and sellers in real estate transactions without representing any party's financial interests.)
- ***Are they an investor friendly agent who has worked with other investors?***
 - These agents tend to be more flexible and creative
 - They understand how the offer and listing needs to be drafted
 - Tend to be located at smaller, local brokerages
 - Ask other investors for recommendations. Great place to inquire is your local REIA (Real Estate Investor Association)

- ***Do they have short sale experience?***
 - Don't be afraid to look for someone who has short sale experience, they just need to have the right short sale experience. Ask them:
 - How many short sales have you completed?
 - When is the last time you did a short sale?
 - How many investors do you work with?
- ***Are they willing to help grow your pipeline?***
- ***Are they willing to wait to get paid on a real estate deal?***
- ***Are they willing to negotiate their commission?***
 - You will be using them on numerous deals and most times on both the buy and sell side of a transaction. Discuss with them a negotiated rate on commission for your business.

If you struggle to find a realtor partner that meets your criteria, it may be time to consider getting your license. Be sure to find an investor friendly brokerage to hold your license and find another agent at the brokerage to refer listings to.

TITLE COMPANY/CLOSING ATTORNEY

Depending on your state, a title company or closing attorney is required to complete a short sale real estate transaction. A **title company/closing attorney's** role is to serve as a combined agent of the title insurance company, buyer, seller and other parties involved in the real estate transaction such as the bank/lender. They review title, issue insurance policies, facilitate closings and file the records paperwork. Because of their important role in your business, it is key to have a good working relationship with your chosen title company. This helps to avoid issues and decreases delays.

When searching for a good title company/closing attorney it is a good idea to shop and ask around. Again, your local REIA (Real Estate Investor Association) is a great place to start. You will be looking for a company who is/has/does:

- **Investor Friendly** – you want a company who is familiar with investor transactions not just traditional real estate transactions
- **Experience with Short Sale Closings**
 - Inquire how many short sale closings they do in a month
 - Confirm that they will include you on all lender communication and approvals
- **Provide Education**
 - Keeps clients informed of all state/city/county tax regulations and updates
 - Knowledgeable of specific property requirements for closing (Imperative that they make you aware of these before closing)
- **Competitive Closing Fees**
- **Flexible with fees and what they can charge**

- **Does not Cap Margins or Profits**
 - Want to confirm that their title insurer does not cap these as well
- **Willing to follow the approval letter exactly and know that additional fees cannot be charged**

NEGOTIATOR

The last key player you will need to have on your team is that of the **negotiator**. A negotiator represents the seller and negotiates with the bank to arrive at a price they are willing to accept to satisfy the debt owed. The negotiator is typically hired by the buyer/investor and communicates and coordinates all of the documents and items the bank requires to complete the transaction. Because of their heavy involvement in the success of your deal you will need to make sure you do your due diligence before hiring them.

There are three primary options when making a decision about who will be your negotiator. You can negotiate the short sale yourself (remember some banks do not allow the buyer and negotiator to be the same individual), you can hire a negotiation company or you can train, educate and create your own negotiator. Let's take each option separately and analyze key questions to ask them before reaching your decision.

You as a Negotiator:

- How much time do you have to dedicate to negotiations?
 - Short sale negotiations involve a lot of back and forth between the seller, lender, buyer and real estate agent
- Do you work a full-time job?
 - Banks are open during business hours; you need to be available to answer questions and submit documents during their working hours to avoid delays
 - Must have the means and flexibility to be available when needed

Hire a Negotiation Company

- Are they investor friendly?
- How many closed and current active investor files do they have?
- What is the volume of files they can handle?
- What specific license and certifications do they hold?
- What are their fees?

Creating and Training Your Own Negotiator:

- Do you have the time and desire to hire, train and manage a negotiator?
- What is your negotiation experience to train someone else?

HOMEOWNER APPOINTMENT

Once you start your marketing, you'll be taking/making calls to set up appointments. Being prepared for the homeowner appointment is a vital part in not only conveying confidence and expertise with a potential seller, but also expedites the process for beginning the short sale process.

Short sales require preparation and documentation to be conveyed to the lender when a file is submitted. Missing forms and documents can cause unnecessary delays and result in a foreclosure date not being stopped. You must complete your due diligence prior to meeting with a seller and inform them of the list of documents you will be required to collect from them. Although it may seem like a lot to collect, assure the homeowner that without these documents, you will not be able to proceed with submitting the short sale application to the bank.

HOMEOWNER APPOINTMENT PACKAGE

To ensure that that you have all necessary documents for the short sale submission, you must come prepared with a homeowner package. You will be explaining and walking through each document, collecting information and signatures from the homeowner as you go. **DO NOT LEAVE WITHOUT A COMPLETED PACKAGE** and all required supporting docs. Below is a list of what your homeowner package should include. Please check with the homeowner's lender to verify if any lender specific docs are required for review and submission.

Homeowner Appointment Package

- Short Sale Document Checklist
- Third Party Authorization
- Hardship Letter Form
- [Mortgage Assistance Application](#)
- Financial Information Form
- Financial Worksheet
- [4506 – T IRS Form](#)
- MARS Disclosure
- Agreement and Understanding Document
- Real Estate Purchase and Sale Agreement (*State specific – obtain from realtor partner*)
- Listing Contract and Disclosures (*State specific – obtain from realtor partner*)

The following sheets contain the documents listed above, excluding state specific documents.

Short Sale Document Checklist

Borrower/s: _____

Property Address: _____

Lender: _____

Loan #: _____

Documents to Collect from Client

- ☐ Most Recent Mortgage Statements for All Liens
- ☐ Pays Stubs (2 months)
- ☐ Bank Statements (2 most recent)
- ☐ Signed Tax Returns
- ☐ Hardship Letter (Signed and Dated)
- ☐ Financial Information Form
- ☐ Financial Worksheet
- ☐ Mortgage Assistance Application
- ☐ Letters of Explanation
- ☐ Lender Specific Package (if applicable)

Documents to Have Client Sign

<input type="checkbox"/>	3 rd Party Authorization Form
<input type="checkbox"/>	Real Estate Purchase and Sale Agreement
<input type="checkbox"/>	Agreement and Understanding
<input type="checkbox"/>	Listing Contract and Disclosures
<input type="checkbox"/>	MARS Disclosure
<input type="checkbox"/>	4506-T

Documents to Complete with Client

<input type="checkbox"/>	Seller Property Questionnaire
<input type="checkbox"/>	Home Repair Checklist
<input type="checkbox"/>	Information Required to Input a Listing

Third Party Authorization to Release Mortgage Information

Borrower: _____

Social Security Number: _____

Co-Borrower: _____

Social Security Number: _____

Property Address: _____

City: _____ State: _____ Zip: _____

Lender/Service: _____

Loan Number: _____

For the purpose of assisting in pursuing and negotiating a loss mitigation alternative, I, _____, hereby authorize all those listed below to access my public and non-public personal financial information contained in my loan account listed above which may include, but is not limited to: loan balances, final payoff statements, loan status, payment history, payment activity and/or property information.

Authorized for Release:

Name: _____

Phone: _____

Email: _____

Name: _____

Phone: _____

Email: _____

Name: _____

Phone: _____

Email: _____

Name: _____

Phone: _____

Email: _____

Signature (Borrower): _____

Print Name: _____

Date: _____

Signature (Co-Borrower): _____

Print Name: _____

Date: _____

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Hardship Letter Form

I/we, _____, the current owners of the property located at:

Address

City

State

Zip

Telephone

Fax

are requesting that _____ (lender) review my financial situation to see if/we qualify for any "short-sale"/workout option. I/we are having problems making the monthly mortgage payments because of the financial difficulties caused by: *(check all that apply)*

- ☐ Unemployment ☐ Reduced Income ☐ Job Relocation
☐ Payment/Rate Increase ☐ Medical Expenses/Illness ☐ Business Failure
☐ Death of Spouse ☐ Divorce or Separation ☐ Incarceration
☐ Military Service ☐ Other: _____

I/we believe that the current situation is: _____ Temporary _____ Permanent
because, *(provide details fully explaining your circumstances. How did this happen?)*

[illegible]

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Loan Number: _____

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Loan number: <loan_num> _____

Mortgage Assistance Application

If you are having mortgage payment challenges, please complete and submit this application, along with the required documentation, to [servicer name] via mail: [address], fax: [fax #], or online: [website/email address]. We will contact you within five business days to acknowledge receipt and let you know if you need to send additional information or documents.

We will use the information you provide to help us identify the assistance you may be eligible to receive. If you need help completing this application, please contact [servicer name] at [phone #].

For a list of HUD-approved housing counseling agencies that can provide foreclosure prevention information, contact one of the following federal government agencies:

- The U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or www.hud.gov/counseling
- The Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or www.consumerfinance.gov/mortgagehelp

If you need assistance with translation or other language assistance, HUD-approved housing counseling agencies may be able to assist you. These services are provided without charge.

Borrower Information

Borrower's name: _____

Social Security Number (last 4 digits): _____

E-mail address: _____

Primary phone number: _____ ☐ Cell ☐ Home ☐ Work ☐ Other

Alternate phone number: _____ ☐ Cell ☐ Home ☐ Work ☐ Other

Co-borrower's name: _____

Social Security Number (last 4 digits): _____

E-mail address: _____

Primary phone number: _____ ☐ Cell ☐ Home ☐ Work ☐ Other

Alternate phone number: _____ ☐ Cell ☐ Home ☐ Work ☐ Other

Preferred contact method (choose all that apply): ☐ Cell phone ☐ Home phone ☐ Work phone ☐ Email ☐ Text—checking this box indicates your consent for text messaging

Is either borrower on active duty with the military (including the National Guard and Reserves), the dependent of a borrower on active duty, or the surviving spouse of a member of the military who was on active duty at the time of death? ☐ Yes ☐ No

Property Information

Property Address: _____

Mailing address (if different from property address): _____

• The property is currently: ☐ A primary residence ☐ A second home ☐ An investment property

• The property is (select all that apply): ☐ Owner occupied ☐ Renter occupied ☐ Vacant

• I want to: ☐ Keep the property ☐ Sell the property ☐ Transfer ownership of the property to my servicer ☐ Undecided

Is the property listed for sale? ☐ Yes ☐ No – If yes, provide the listing agent's name and phone number—or indicate "for sale by owner" if applicable: _____

Is the property subject to condominium or homeowners' association (HOA) fees? ☐ Yes ☐ No – If yes, indicate monthly dues: \$ _____

Hardship Information

The hardship causing mortgage payment challenges began on approximately (date) _____ and is believed to be:

- ☐ Short-term (up to 6 months)
☐ Long-term or permanent (greater than 6 months)
☐ Resolved as of (date) _____

TYPE OF HARDSHIP (CHECK ALL THAT APPLY)	REQUIRED HARDSHIP DOCUMENTATION
<input type="checkbox"/> Unemployment	▪ Not required
<input type="checkbox"/> Reduction in income: a hardship that has caused a decrease in your income due to circumstances outside your control (e.g., elimination of overtime, reduction in regular working hours, a reduction in base pay)	▪ Not required
<input type="checkbox"/> Increase in housing-related expenses: a hardship that has caused an increase in your housing expenses due to circumstances outside your control (e.g., uninsured losses, increased property taxes, HOA special assessment)	▪ Not required
<input type="checkbox"/> Disaster (natural or man-made) impacting the property or borrower's place of employment	▪ Not required
<input type="checkbox"/> Long-term or permanent disability, or serious illness of a borrower/co-borrower or dependent family member	▪ Written statement from the borrower, or other documentation verifying disability or illness Note: Detailed medical information is not required, and information from a medical provider is not required
<input type="checkbox"/> Divorce or legal separation	▪ Final divorce decree or final separation agreement OR ▪ Recorded quitclaim deed
<input type="checkbox"/> Separation of borrowers unrelated by marriage, civil union, or similar domestic partnership under applicable law	▪ Recorded quitclaim deed OR ▪ Legally binding agreement evidencing that the non-occupying borrower or co-borrower has relinquished all rights to the property
<input type="checkbox"/> Death of borrower or death of either the primary or secondary wage earner	▪ Death certificate OR ▪ Obituary or newspaper article reporting the death
<input type="checkbox"/> Distant employment transfer/relocation	▪ For active duty service members: Permanent Change of Station (PCS) orders or letter showing transfer. ▪ For employment transfers/new employment: Copy of signed offer letter or notice from employer showing transfer to a new location or written explanation if employer documentation not applicable, AND ▪ Documentation that reflects the amount of any relocation assistance provided (not required for those with PCS orders)
<input type="checkbox"/> Other – hardship that is not covered above: <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	▪ Written explanation describing the details of the hardship and any relevant documentation

Borrower Income

Please enter all borrower income amounts in middle column.

MONTHLY TOTAL BORROWER INCOME TYPE & AMOUNT		REQUIRED INCOME DOCUMENTATION
Gross (pre-tax) wages, salaries and overtime pay, commissions, tips, and bonuses	\$	<ul style="list-style-type: none"> Most recent pay stub and documentation of year-to-date earnings if not on pay stub OR Two most recent bank statements showing income deposit amounts
Self-employment income	\$	<ul style="list-style-type: none"> Two most recent bank statements showing self-employed income deposit amounts OR Most recent signed and dated quarterly or year-to-date profit/loss statement OR Most recent complete and signed business tax return OR Most recent complete and signed individual federal income tax return
Unemployment benefit income	\$	<ul style="list-style-type: none"> No documentation required
Taxable Social Security, pension, disability, death benefits, adoption assistance, housing allowance, and other public assistance	\$	<ul style="list-style-type: none"> Two most recent bank statements showing deposit amounts OR Award letters or other documentation showing the amount and frequency of the benefits
Non-taxable Social Security or disability income	\$	<ul style="list-style-type: none"> Two most recent bank statements showing deposit amounts OR Award letters or other documentation showing the amount and frequency of the benefits
Rental income (rents received, less expenses other than mortgage expense)	\$	<ul style="list-style-type: none"> Two most recent bank statements demonstrating receipt of rent OR Two most recent deposited rent checks
Investment or insurance income	\$	<ul style="list-style-type: none"> Two most recent investment statements OR Two most recent bank statements supporting receipt of the income
Other sources of income not listed above (Note: Only include alimony, child support, or separate maintenance income if you choose to have it considered for repaying this loan)	\$	<ul style="list-style-type: none"> Two most recent bank statements showing receipt of income OR Other documentation showing the amount and frequency of the income

Current Borrower Assets

Exclude retirement funds such as a 401(k) or Individual Retirement Account (IRA), and college savings accounts such as a 529 plan.

Checking account(s) and cash on hand	\$
Savings, money market funds, and Certificates of Deposit (CDs)	\$
Stocks and bonds (non-retirement accounts)	\$
Other:	\$

Borrower Certification and Agreement

1. I certify and acknowledge that all of the information in this Mortgage Assistance Application is truthful, and the hardship I identified contributed to my need for mortgage relief. Knowingly submitting false information may violate Federal and other applicable law.
2. I agree to provide my servicer with all required documents, including any additional supporting documentation as requested, and will respond in a timely manner to all servicer or authorized third party* communications.
3. I acknowledge and agree that my servicer is not obligated to offer me assistance based solely on the representations in this document or other documentation submitted in connection with my request.
4. I consent to the servicer or authorized third party* obtaining a current credit report for the borrower and co-borrower.
5. I consent to the disclosure by my servicer, authorized third party,* or any investor/guarantor of my mortgage loan(s), of any personal information collected during the mortgage assistance process and of any information about any relief I receive, to any third party that deals with my first lien or subordinate lien (if applicable) mortgage loan(s), including Fannie Mae, Freddie Mac, or any investor, insurer, guarantor, or servicer of my mortgage loan(s) or any companies that provide support services to them, for purposes permitted by applicable law. Personal information may include, but is not limited to: (a) my name, address, telephone number, (b) my Social Security number, (c) my credit score, (d) my income, and (e) my payment history and information about my account balances and activity.
6. I agree that the terms of this borrower certification and agreement will apply to any modification trial period plan, repayment plan, or forbearance plan that I may be offered based on this application. If I receive an offer for a modification trial period plan or repayment plan, I agree that my first timely payment under the plan will serve as acceptance of the plan.
7. I consent to being contacted concerning this application for mortgage assistance at any telephone number, including mobile telephone number, or email address I have provided to the lender, servicer, or authorized third party.*

* An authorized third party may include, but is not limited to, a housing counseling agency, Housing Finance Agency (HFA) or other similar entity that is assisting me in obtaining a foreclosure prevention alternative.

Borrower signature: _____ Date: _____

Co-Borrower signature: _____ Date: _____

Please submit your completed application, together with the required documentation, to [servicer name] via mail: [address], fax: [fax #], or online: [website/email address]. We will contact you within five business days to acknowledge receipt and let you know if you need to send additional information or documents.

We will use the information you provided to help us identify the assistance you may be eligible to receive.

Financial Information Form

Lender: _____

Loan Number: _____

Borrower(s): _____

Property Address: _____

This residence is a: _____ Primary Residence _____ Rental Residence

If primary residence, total number of persons living at the residence are: _____

- Number of dependents: _____
- Age of dependents: _____

If rental residence, is it currently rented? _____ yes _____ no

- If rented, are the tenants current with the rent payments? _____ yes _____ no
- If rented, what is the monthly rent amount received? \$ _____

Is the property currently listed for sale? _____ yes _____ no

- If yes, name of the listing agent: _____
- Listing Agent's Phone Number: _____
- How long has the property been listed? _____
- What is the current listing price? \$ _____

Buyer's Name: _____

- Relationship to the Seller: _____
- Buyer's Agent: _____
- Buyer's Agent Phone Number: _____

Mortgage Information:

- Current Monthly Payment: \$ _____
- Are taxes and insurance escrowed? _____ yes _____ no

Property Tax Information:

- Tax Key: _____ County: _____
- Tax Year currently being paid: _____
- Current Tax Bill Amount: \$ _____ per _____
- Property Tax Liability Per Diem: \$ _____

Financial Worksheet

INCOME INFORMATION

Income information provide is monthly

Description	Borrower 1	Borrower 2
Net Income	\$	\$
Overtime Pay	\$	\$
Commissions	\$	\$
Bonuses	\$	\$
Part-time Income	\$	\$
Alimony/Child Support	\$	\$
Rental Property Income	\$	\$
Social Security/Pension	\$	\$
Other	\$	\$
Other	\$	\$
TOTAL Monthly Net Income	\$	\$

ASSET INFORMATION

Description	Estimated Value	Amount Owed	Net Value
Home (circle type) FHA VA Conventional	\$	\$	\$
Other Home 2 FHA VA Conventional	\$	\$	\$
Automobile (1)	\$	\$	\$
Automobile (2)	\$	\$	\$
Automobile (3)	\$	\$	\$
Mobile Homes/Trailers/Boats	\$	\$	\$
Money in Checking and/or Savings Accounts	\$	\$	\$
Cash on Hand (cash, checks or money orders)	\$	\$	\$
401K/IRA/TSP/Keogh Account	\$	\$	\$
Other Stocks/Bonds/Certificates of Deposit	\$	\$	\$
Cash Value of Whole Life Insurance	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
TOTAL	\$	\$	\$

Include assets for all borrowers listed on Financial Information Form

Homeowner Signature

Homeowner Signature

EXPENSE INFORMATION

Category	Description	Monthly Payment	Balance Due	Comments Number of Months Delinquent
Monthly Loan Payments	Mortgage Payment (subject property)	\$	\$	
	Other Mortgage Payments	\$	\$	
	Other Mortgage Payments	\$	\$	
	Real Estate Taxes & Homeowner's Ins.	\$	\$	
	Homeowner's Assn./Condo Fees	\$	\$	
	Home Maintenance	\$	\$	
	Automobile (1)	\$	\$	
	Automobile (2)	\$	\$	
	Finance Company (1)	\$	\$	
	Finance Company (2)	\$	\$	
	Furniture Company	\$	\$	
	Student Loan	\$	\$	
Credit Card/ Revolving Debt	Visa	\$	\$	
	Mastercard	\$	\$	
	Other	\$	\$	
	Other	\$	\$	
	Other	\$	\$	
Utilities	Electricity/Gas	\$	\$	
	Heating Oil/Propane	\$	\$	
	Water/Sewer/Garbage	\$	\$	
	Telephone	\$	\$	
	Cellular Phone	\$	\$	
	Internet Access	\$	\$	
Insurance	Insurance (Health/Life)	\$	\$	
	Medical Bills (Not covered by Ins.)	\$	\$	
	Automobile Ins.	\$	\$	
Automobile/ Transportation	Gasoline	\$	\$	
	Maintenance	\$	\$	
	Parking/Tolls	\$	\$	
	Public Transportation/Car Pooling	\$	\$	
Household	Groceries	\$	\$	
	New Clothes/Dry Cleaning	\$	\$	
	Cable/Satellite TV	\$	\$	
	Home Security/Alarm System	\$	\$	
	Medicine/RX	\$	\$	
	Entertainment	\$	\$	
Miscellaneous Expenses	Day Care/Babysitting	\$	\$	
	Alimony/Child Support	\$	\$	
	Education/Tuition/Book Expense	\$	\$	
	Liens/Judgments (IRS or other)	\$	\$	
	Other	\$	\$	
	Other	\$	\$	
	Other	\$	\$	
	Other	\$	\$	
TOTAL		\$	\$	

Include total of expenses for all borrowers listed on Financial Information Form

Homeowner Signature	Homeowner Signature

Form 4506-T
(June 2019)Department of the Treasury
Internal Revenue Service**Request for Transcript of Tax Return**

- ▶ Do not sign this form unless all applicable lines have been completed.
▶ Request may be rejected if the form is incomplete or illegible.
▶ For more information about Form 4506-T, visit www.irs.gov/form4506t.

OMB No. 1545-1872

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Get a Tax Transcript..." under "Tools" or call 1-800-908-9946. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5 Customer file number (if applicable) (see instructions)	

Note: Effective July 2019, the IRS will mail tax transcript requests only to your address of record. See **What's New under Future Developments** on Page 2 for additional information.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶

a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days ☐

b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 10 business days ☐

c Record of Account, which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 10 business days ☐

7 Verification of Nonfiling, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days ☐

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2016, filed in 2017, will likely not be available from the IRS until 2018. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 10 business days ☐

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately. / / / /

Caution: Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note:** This form must be received by IRS within 120 days of the signature date.

☐ Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-T. See instructions.

Phone number of taxpayer on line 1a or 2a

Sign Here	Signature (see instructions)	Date
	Title (if line 1a above is a corporation, partnership, estate, or trust)	
	Spouse's signature	Date

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about Form 4506-T and its instructions, go to www.irs.gov/form4506-t. Information about any recent developments affecting Form 4506-T (such as legislation enacted after we released it) will be posted on that page.

What's New. As part of its ongoing efforts to protect taxpayer data, the Internal Revenue Service announced that in July 2019, it will stop all third-party mailings of requested transcripts. After this date masked Tax Transcripts will only be mailed to the taxpayer's address of record.

If a third-party is unable to accept a Tax Transcript mailed to the taxpayer, they may either contract with an existing IVES participant or become an IVES participant themselves. For additional information about the IVES program, go to www.irs.gov and search IVES.

General Instructions

Caution: Do not sign this form unless all applicable lines have been completed.

Purpose of form. Use Form 4506-T to request tax return information. Taxpayers using a tax year beginning in one calendar year and ending in the following year (fiscal tax year) must file Form 4506-T to request a return transcript.

Note: If you are unsure of which type of transcript you need, request the Record of Account, as it provides the most detailed information.

Customer File Number. The transcripts provided by the IRS have been modified to protect taxpayers' privacy. Transcripts only display partial personal information, such as the last four digits of the taxpayer's Social Security Number. Full financial and tax information, such as wages and taxable income, are shown on the transcript.

An optional Customer File Number field is available to use when requesting a transcript. This number will print on the transcript. See Line 5 instructions for specific requirements. The customer file number is an optional field and not required.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Automated transcript request. You can quickly request transcripts by using our automated self-help service tools. Please visit us at irs.gov and click on "Get a Tax Transcript..." under "Tools" or call 1-800-808-9946.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different addresses, send your request to the address based on the address of your most recent return.

Chart for individual transcripts (Form 1040 series and Form W-2 and Form 1099)

If you filed an individual return and lived in:	Mail or fax to:
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address	Internal Revenue Service RAIVS Team Stop 6716 AUSC Austin, TX 73301 855-567-9604
Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	Internal Revenue Service RAIVS Team Stop 37106 Fresno, CA 93888 855-800-8105
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Internal Revenue Service RAIVS Team Stop 6705 S-2 Kansas City, MO 64999 855-821-0094

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, A.P.O. or F.P.O. address	Internal Revenue Service RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 855-298-1145
Maine, Massachusetts, New Hampshire, New York, Pennsylvania, Vermont	Internal Revenue Service RAIVS Team Stop 6705 S-2 Kansas City, MO 64999 855-821-0094

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) or your individual taxpayer identification number (ITIN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 3. Enter your current address. If you use a P.O. box, include it on this line.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note: If the addresses on lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address. For a business address, file Form 8822-B, Change of Address or Responsible Party — Business.

Line 5a. Enter up to 10 numeric characters to create a unique customer file number that will appear on the transcript. The customer file number should not contain an SSN. Completion of this line is not required.

Note: If you use an SSN, name or combination of both, we will not input the information and the customer file number will reflect a generic entry of "9999999999" on the transcript.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 1b. The IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines are completed before signing.



You must check the box in the signature area to acknowledge you have the authority to sign and request the information. The form will not be processed and returned to you if the box is unchecked.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer. A bona fide shareholder of record owning 1 percent or more of the outstanding stock of the corporation may submit a Form 4506-T but must provide documentation to support the requester's right to receive the information.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 6.

All others. See section 6103(a) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Note: If you are heir at law, next of kin, or beneficiary you must be able to establish a material interest in the estate or trust.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the letters testamentary authorizing an individual to act for an estate.

Signature by a representative. A representative can sign Form 4506-T for a taxpayer only if the taxpayer has specifically delegated this authority to the representative on Form 2848, line 5. The representative must attach Form 2848 showing the delegation to Form 4506-T.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time to: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service
Tax Forms and Publications Division
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Do not send the form to this address. Instead, see Where to file on this page.

Mortgage Assistance Relief Services Disclosure (MARS)

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

PLEASE READ AND INITIAL EACH POINT SHOWING YOU BOTH UNDERSTAND AND ACCEPT THE FOLLOWING:

_____ does not and cannot charge you any upfront fees in conjunction with agreeing to negotiate a loan settlement on your dwelling via a short sale transaction or for providing you with any other type of mortgage assistance relief service. **(Initial Here)** _____

_____ is **NOT** associated with any government agency or program, and is **NOT** approved by the government or your lender(s), nor does _____ make any claim to have such an association. **(Initial Here)** _____

_____ makes **no guarantees** nor claims to guarantee that your lender will accept a loan settlement and approve a short sale or agree to change your loan in any way. **(Initial Here)** _____

_____ cannot and will not provide you with legal advice or representation. Any questions regarding the legalities of the process and or legal representation must be referred to a licensed attorney. **(Initial Here)** _____

_____ cannot guarantee a timeline on how long it will take for your property to complete the short sale process. **(Initial Here)** _____

You may stop using this service at any time during this process. **(Initial Here)** _____

You may accept or reject the offer of mortgage assistance from your lender or servicer. If you reject a written short sale offer acceptable to the buyer, you may be obligated to pay a commission for real estate brokerage services per state Real Estate Brokerage Law. **(Initial Here)** _____

If you stop paying your mortgage, you could lose your home and damage your credit rating.
(Initial Here) _____

Any decision to stop or limit communication with your lender should be determined by you in writing and your legal counsel in accordance with the Fair Debt Collection Practices Act. **(Initial Here)** _____

Mortgage Assistance Relief Services Disclosure (MARS)-Pg. 2

Negotiation Service

By:

Date:

Dwelling owner of address below hereby acknowledges that he/she/they have read, understood and have received a copy of this MARS Disclosure:

Address: _____

Signed:

(Borrower)

(Co-Borrower)

(Print Name)

(Print Name)

(Social Security #)

(Social Security #)

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AGREEMENT AND UNDERSTANDING

The following is incorporated into the Purchase & Sale Agreement between Buyer(s) and Seller(s) dated _____ and in the event that anything contained in this Agreement shall conflict with the Purchase & Sale Agreement, then the terms set forth in this Agreement shall prevail:

1. Initials _____/_____ **The Property Address:** _____
2. Initials _____/_____ **SELLER(S) UNDERSTANDS THAT THE SELLER(S) MAY HAVE CERTAIN RIGHTS UNDER THE STATE OR FEDERAL LAW:** including, but not limited to bankruptcy, redemption or other equitable rights that may give Seller(s) additional rights. This disclosure is not to be construed as a list of Seller's rights or legal advice, but simply an acknowledgement that Seller(s) have investigated Seller(s) rights under the law. Seller(s) understand that Seller(s) may want to consult with legal counsel regarding these possible rights. Seller(s) understand that upon execution of this document Seller(s) may be giving up such rights.
3. Initials _____/_____ **OPPORTUNITY TO REVIEW:** Seller(s) has had the opportunity to discuss this Agreement with Seller(s) attorney, CPA, friends, family and/or other trusted advisors, and after considering all available options, Seller(s) has elected to enter into this Agreement, and empower Buyer(s) to attempt a Short Sale by working with Seller(s) Lender/Lien Holder(s).
4. Initials _____/_____ **BUYER IS NOT A DEBT RELIEF AGENCY:** The parties hereto acknowledge that Buyer(s) is not a debt relief agency and does not provide assistance with bankruptcy filings. Buyer(s) does not provide bankruptcy information, advice, counseling, document preparation, filing, or any other representation related to existing or prospective bankruptcy. Buyer(s) is not acting as Seller(s) representative, agent, counselor, or advisor in any capacity and is pursuing the transaction contemplated herein adverse to Seller(s) for Buyer(s) own interest to profit.
5. Initials _____/_____ **NOT ACTING AS A FORECLOSURE CONSULTANT, ATTORNEY OR ADVISOR:** Seller(s) understand and acknowledge that it is NOT the intent of this Agreement that Buyer(s) act as a Foreclosure Consultant. Seller(s) understand that Buyer(s) will not and cannot represent me in any court proceedings. Seller(s) must seek Seller's own legal counsel if Seller(s) intend on defending a foreclosure action. Buyer(s) will not defend me in a foreclosure action. If Seller(s) want bankruptcy advice, Seller(s) understand that Seller(s) should consult an attorney. Seller(s) understand that Buyer(s) may make a substantial profit from this transaction and that Buyer(s) primary motivation in engaging in this transaction is to make a profit from the rental or resale of the property and Seller(s) shall receive no compensation.
6. Initials _____/_____ **TAX CONSEQUENCES:** Seller(s) acknowledges that a short sale approval letter or lien release obtained from Lender/Lien Holder(s) may have tax consequences for Seller(s) and that Seller(s) has been advised to seek the advice of a tax professional. Seller(s) understand that Seller's Lender/Lien Holder(s), even after agreeing to a short sale, may require that the difference between the original balance and the negotiated balance be paid by Seller(s) and hold Seller(s) personally liable for such payment. Seller(s) further understand that if the Lender/Lien Holder(s) accepts a short sale, this may not relieve Seller(s) of any personal responsibility for the loan and may affect Seller(s) credit score. Seller(s) also understand that any forbearance of forgiveness of debt by lien holders may result in a taxable gain and Seller(s) should consult with a qualified tax advisor to discuss the implications of such a gain if Seller(s) should receive a form 1099 from the Lender/Lien Holder(s).
7. Initials _____/_____ **PERSONAL DOCUMENTS:** Seller(s) understand that Seller's Lender/Lien Holder(s) will require review of Seller's personal financial information including but not limited to copies of previous tax returns, bank statement, investment account statements, and a financial statement and that by agreeing to pursue a Short Sale Seller(s) hereby grants permission to release such information to those parties assisting with the Short Sale and hereby hold Buyer(s) and Buyer(s) agents, assign, employees, officers harmless from any violations of privacy which may result from the release of such information. Seller(s) PROMISE TO BE HONEST AND FORTHCOMING WHEN PROVIDING SUCH DOCUMENTS TO LENDER/LIEN HOLDER(S) AND UNDERSTAND LENDER/LIEN HOLDER(S) MAY ASK FOR UPDATED DOCUMENTS MANY TIMES. Seller(s) FURTHER UNDERSTAND THAT INABILITY OF LACK OF COLECTING DOCUMENTS **IN A TIMELY MANNER MAY RESULT IN FORECLOSURE OF SELLER(S) PROPERTY.** Seller(s) agree to keep Buyer(s) informed of any correspondence or phone calls Seller(s) may receive from Seller(s) Lender/Lien Holder(s), and if necessary, to personally attend any hearing at the Courthouse in order to attempt to have the judge give both Seller(s)/Buyer(s) the maximum allowable time for foreclosure auction date.
8. Initials _____/_____ **CANCELLATION PERIOD:** Seller(s) understand State law may afford Seller(s) certain termination rights within a prescribed period of time from the date of the Purchase and Sale Agreement and Seller(s) have had the opportunity to consult with a local attorney or real estate agent of Seller's choice to determine whether, if any, cancellation rights are available to if cancellation rights exist, the cancellation period has passed before signing this Agreement, in addition to any notice provided in the Purchase and Sale Agreement or Agreement and Understanding.
9. Initials _____/_____ **NO OTHER FEES:** Seller(s) understand that Seller(s) have entered into a legally binding Purchase and Sale Agreement committing Seller to sell the Property to Buyer(s) upon Lender/Lien Holder(s) approval of a Short Sale and Seller(s) understand that Seller(s) cannot continue to market the property to any other potential purchasers/buyers.
10. Initials _____/_____ **CONTINGENCIES:** Buyer(s) will use reasonable efforts to attempt to obtain a reduced payoff ("Short Sale") from Seller(s) Lender/Lien Holder(s). This Agreement is specifically contingent upon Seller(s) Lender/Lien Holder(s) approval of a Short Sale payoff at the Purchase Price and terms acceptable to Buyer(s) (the "Approval"). Seller(s) understand that

Buyer(s) will not be representing Seller(s) or performing services of Seller(s) behalf, but on Buyer(s) own accord in trying to make this deal work for the Buyer(s). Neither Buyer(s), nor any third-party service provider, has made any promises as to the likelihood of success in obtaining a Short Sale or the amount of any deficiency, if any. Neither Buyer(s), nor any third-party service provider, has made Seller(s) any promises, guarantees or representations about his/her/its ability to complete this task. Seller(s) understand fully and completely that, if Buyer(s) or the third-party service provide is not able to negotiate the short sale with the Lender/Lien Holder(s), the Lender/Lien Holder(s) may proceed with foreclosure. The Buyer(s) has agreed to pay the Negotiated Purchase Price on the Closing Date upon procuring a future purchaser, even though this may be less than what Seller(s) could expect to gain from either curing the loan and/or negotiating a workout forbearance with Seller(s) Lender/Lien Holder(s) and /or refinancing the debt and/or placing the Property for sale on the open marketplace either by Seller or through a real estate broker and the Seller(s) is/are knowingly and willingly agreeing to accept this consideration knowing these options and other potential options are available to Seller. Seller(s) have not been promised any other consideration or money other than as stated herein. Seller(s) have not been promised anything other than what is described in the Agreement. There are no unresolved issues, no "side agreements", and there are no other terms not disclosed in the Agreement between Seller(s), Buyer(s) or Agents(s) in order to entice, induce or otherwise defraud current lien holders in this transaction. Seller(s) shall pay no compensation to Buyer in consideration of Seller(s) working with Seller(s) Lender/Lien Holder(s).

11. Initials _____/_____ **ARREARS:** Seller(s) understand the Buyer(s) make no promises as to curing back payments or making additional payments on Seller's loan or any other expense of the property. Even if Buyer(s) cures the back payments on Seller(s) loan or make any other payments on behalf of Seller(s), Seller(s) understand that this does not obligate Buyer(s) to continue making such payments. At Buyer(s) sole discretion, Buyer(s) may decide to stop making payments on Seller(s) underlying notes or other expenses at any time.
12. Initials _____/_____ **SELLER(S) UNDERSTAND THE BUYER WILL ATTEMPT TO NEGOTIATE A SHORT SALE WITH SOMEOR ALL OF LENDER/LIEN HOLDER(S) ON THE PROPERTY:** Seller(s) understand that Buyer(s) will not be doing this on Seller's behalf, but on its own accord in trying to purchase the Property. Buyer(s) or any third party utilized by the Buyer to negotiate a short sale, had not made Seller(s) any promises, guarantees or representations about its ability to complete or the result of the completion of this task. Seller(s) understand fully and completely that, if Buyer(s) is not able to negotiate the short sale with the Lender/Lien Holder(s), the Lender/Lien Holder(s) may proceed with foreclosure. Seller(s) further understand that if the Lender/Lien Holder(s) accept(s) a short sale, this may or may not relieve seller(s) of any personal responsibility for the loan and may affect Seller's credit score. In addition, the Lender/Lien Holder(s) may request Seller(s) sign a promissory note for the deficient balance. If the Lender/Lien Holder(s) request a promissory note the Buyer(s) will notify the Seller(s). However, the Lender/Lien Holder(s) may pursue the deficient balance at a later date. If so, Seller(s) understand this deficient balance is Seller's personal responsibility.
13. Initials _____/_____ **ESCROW AND PREPAYMENTS WAIVER:** Seller(s) agree to waive any rights Seller(s) may have to any prepaid or escrowed property taxes, insurance, homeowner's association dues, county property tax refunds or other amounts
14. Initials _____/_____ **AGENT DISCLOSURE:** Buyer(s) ☐ is ☐ is not a licensed real estate agent
15. Initials _____/_____ **ARMS LENGTH TRANSACTION:** Seller(s) is in default on their mortgage payments and the Property is facing foreclosure due to circumstances that have nothing to do with Buyer(s). The current debts secured by the Property exceed the value of the Property and there is no equity in the Property. Seller(s) has been unable to sell the Property and has identified Buyer(s) through a real estate agent or other third party not related to Buyer(s). Seller(s) hereby acknowledges and agrees that a condition of the Short Sale by the Lender/Lien Holder(s) will be that Seller(s) may not receive any money or other consideration from the Short Sale transaction. Buyer(s) is not related to Seller(s). Seller ☐ has ☐ has not received a notice of default.
16. Initials _____/_____ **NO RIGHT TO REACQUIRE OWNERSHIP:** Seller(s) understand that after Closing Seller(s) have no right or option to reacquire or live in the Property. Buyer(s) had made no representations, oral, in writing, express or by implication that Seller(s) will have the opportunity to re-gain ownership of the Property after Closing. Seller(s) have no intention of occupying the property further.
17. Initials _____/_____ **DISCLOSURES:** Sale is subject to Lender/Lien Holder(s) approval on a short sale. The Lender/Lien Holder(s) will do their own independent valuation of the property. Their decision to discount the lien and take a loss will be subject to their own internal review and independent of any party to the transaction. Once purchase and sale agreement is signed by Seller(s), Buyer(s) will have right to immediately list, market, lease, sell, or lease option the subject property. By providing a short sale approval/payoff letter, lien holder(s) agree to any and all provisions of this Agreement and shall hold harmless any and all parties to the transaction including but not limited to: Buyer(s), Seller(s), BPO agents, Appraisers, Realtor(s), Real Estate Brokers, Agents, Attorneys, Trustees, Title Companies, Title Insurers, claims, suits, damages from this transaction and any other parties in any subsequent transaction involving the subject property. Property to appraise at or above purchase price. Contingent upon buyer's acceptance of a home inspection to be performed within 15 days of lien holder approval. Seller(s) shall not lease back or buy back the Property from Buyer(s) nor shall Seller(s) be allowed to remain in the Property after Closing. Buyer(s) may be a wholesale investor and the Purchase Price may be significantly less than the current fair market value of the Property. Seller(s) hereby grants Buyer(s) the right to list for sale with a licensed real estate agent, market, negotiate and/or enter into an agreement to sell the Property to a future purchaser. It is hereby disclosed to Seller(s) and Seller(s) Lender/Lien Holder(s) that Buyer(s) is

purchasing the property with the intent of reselling for a profit of an amount not yet determined. If Buyer(s) is unable to procure a future purchaser for the property, the property may go into foreclosure.

18. Initials _____/_____ **RE-SALE OF PROPERTY:** Seller(s) understand Buyer(s) may resell the property for a profit immediately after closing on the purchase of Seller's property. This Agreement assigns to the Buyer(s) and/or Buyer(s) agents the rights to immediately list for sale and markets the property (which includes but not limited to local multiple listing service (MLS)). Buyer's shall retain right to accept, decline or counter any future offer on property effective upon execution of this document. The Buyer(s) obligation to close under this Agreement is contingent Buyer(s) procuring a future purchaser to successfully close of said property acceptable to Buyer(s). Buyer(s) will not expend monies to close on said property. If Buyer(s) is unable to procure a future purchaser for the property, this transaction may not close and the property may go into foreclosure. Upon the expiration of the statutory cancellation period, Buyer(s) may record among the public records of the county in which the Property is located a Notice of Purchase and Sale.
19. Initials _____/_____ **BUYER MAY UTILIZE SERVICE PROVIDER:** Seller(s) acknowledges and agrees that Buyer(s) may utilize a Third Party Service Provider to negotiate the Short Sale with Seller(s) Lender/Lien Holder(s) and may provide all Seller(s) personal documents provided to buyer under paragraph 7, or in the alternative, recommend the Seller(s) engage a short sale service provider to negotiate the short sale. No fiduciary relationship is created nor shall be created between any such Third-Party Service provide and Seller(s) or between such Third-Party Service Provider and Seller(s) Lender/Lien Holder(s) it being disclosed that such Third-Party Service Provider shall work exclusively for the benefit of Buyer(s). Seller(s) agree to sign an authorization to release information and for communication with Seller(s) lender by service provider upon the expiration of the statutory cancellation period. Buyer(s) and Seller(s) acknowledge that Service Provider shall be paid a Negotiation Fee. However, the Seller shall not pay any compensation to the third-party service provided nor shall there be any out of pocket cost or expense to Seller(s) or Agents. The negotiation of the short sale will require multiple counter offers being sent back and forth to the Lender/Lien Holder(s). Seller(s) gives short sale negotiator permission to make such offers and counteroffers on its behalf in the context of the short sale negotiation without obtaining new signatures form Seller(s).
20. Initials _____/_____ **EARNEST MONEY:** Shall be due and payable with five (5) business days of receipt of Lender/Lien Holder(s) Short Sale Approval held with Attorney or Title Company of Buyer(s) choice.
21. Initials _____/_____ **CLOSING AGENT:** Seller(s) understand Buyer(s) has chosen to close this transaction with a specific formal process and with a specific title company or Escrow Company of Buyer's choosing. Seller(s) understand that Closing Agent (Attorney or Title Company) does not represent Seller(s) in this transaction or any aspect of it. Buyer(s) may choose to record a Notice of Purchase and Sale.
22. Initials _____/_____ **OCCUPANCY:** Property is ☐ Occupied ☐ Vacant ☐ Rented. Seller(s) agree to vacate the property upon request of Buyer(s) or otherwise before the closing date and leave the premises in a neat and clean condition and free from all personal affects, furniture and debris.
23. Initials _____/_____ **ENGLISH:** ☐ IS ☐ IS NOT Seller's native language and Seller does have the ability to read and understand the Contract.
24. Initials _____/_____ **ABILITY TO UNDERSTAND:** Seller(s) are not under the influence of alcohol, drugs or any other ailment at this time that would affect Seller(s) ability to read this document and make an intelligent decision as to the consequences of signing it.
25. Initials _____/_____ **NOTIFICATION:** Seller(s) agree to instruct real estate agent for the transaction to notify Buyer(s) should Lender/Lien Holder(s) contact Seller(s) of Agent(s) via phone, email or fax.
26. Initials _____/_____ **HOLD HARMLESS:** Seller(s) and Real Estate Agent hereby indemnifies and holds Buyer(s) and any agent or representative, or third party provider working by or on behalf of Buyer(s) harmless from any and all losses and damages suffered as a result of the foreclosure of the Property, the Short Sale, or otherwise associated with this Agreement for any reason whatsoever.
27. Initials _____/_____ **ENTIRE AGREEMENT:** The Purchase and Sale Agreement and this Agreement contain(s) the entire agreement of the parties hereto, and any representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of no force or effect. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns. There are no side agreements, verbal agreements or understanding not set forth in writing herein.

SELLER(S) HAS COMPLETELY READ THIS AGREEMENT AND AGREEMENT AND UNDERSTANDING BEFORE SIGNING IT AND SELLER(S) AGREE TO THE TERMS AND CONDITIONS, AND REPRESENTATIONS CONTAINED HEREIN.

SELLER(S) UNDERSTAND THAT UNDER THIS AGREEMENT SELLER(S) IS/ARE SELLING MY HOME TO THE OTHER UNDERSIGNED PARTY.

Seller: _____
(Signature)

(Print Name)

(Signature)

(Print Name)

Buyer: _____
(Signature)

(Print Name)

(Signature)

(Print Name)

SHORT SALE SUBMISSION

Time is of the essence when negotiating a short sale. That is why, all lender required documents need to be completed and signed, as well as supporting documentation prior to submission. Banks/lenders will not accept an incomplete file and will reject your offer on the spot if not every "I" is dotted and every "T" is crossed. Utilizing a short sale checklist to ensure completion and accuracy in file submission is a key tool in every successful short sale negotiator's arsenal.

SHORT SALE SUBMISSION CHECKLIST DOCUMENT

On the following sheet we have provided you a **Short Sale Submission Checklist** with the most common required documents. Please verify with the homeowner's specific lender to see if any additional documents or lender forms will also be required for submission.

Short Sale Submission Checklist

Borrower/s: _____

Property Address: _____

Lender: _____

Loan #: _____

Document

- ☐ 3rd Party Authorization Form
- ☐ Hardship Letter
- ☐ HUD
- ☐ Purchase Contract (Proof of Funds, LLC Docs)
- ☐ Lender Specific Package (if applicable)
- ☐ Financial Worksheet/(RMA) Request for Mortgage Assistance or (UBAF) Uniform Borrowers Assistance Form
- ☐ Letters of Explanation
- ☐ Pay Stubs
- ☐ Bank Statements
- ☐ 4506-T
- ☐ Tax Returns
- ☐ Listing Contract
- ☐ MLS Listing

If Applicable:

- ☐ Mortgage Statement
- ☐ Divorce Decree
- ☐ Quit Claim Deed
- ☐ Bankruptcy Docs
- ☐ Death Certificate
- ☐ Executor Docs

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BPO/APPRAISAL APPOINTMENT

As you proceed in the short sale negotiation process you may encounter a situation where the lender requests a BPO (Broker Price Opinion) to be completed. A **BPO** is a tool used by a lender to value a property in the current real estate market; similar to an appraisal. Unlike an appraisal, BPO's are completed by other licensed real estate agents as opposed to a licensed appraiser. Lender's use these to determine fair market value on the house, i.e. the value they are willing to accept for payment in full on the debt. It is imperative that you be at the BPO appointment, as you want to inform the agent any and all repairs and issues with the house.

Please note, some lenders will also utilize appraisals, which would be completed by a licensed appraiser.

BPO/APPRAISAL APPOINTMENT CHECKLIST

To insure you are prepared for your scheduled BPO, it is a good idea to utilize a checklist with the documents you may need to present or reference at the appointment. On the next sheet you will find a sample **BPO Checklist**.

BPO/APPRAISAL APPOINTMENT CHECKLIST

Property Address: _____

BPO/Appraisal Agent Name: _____ **Phone #:** _____

BPO/Appraisal Agent Email Address: _____

- ☐ Contract for Purchase of Property
- ☐ Comparable Properties that Support the Listed Value and Purchase Price
- ☐ Repair Checklist
- ☐ Contractor Invoices (If Available)
- ☐ Hardship Letter

Send email to BPO/Appraisal Agent attaching the above package. Put the property address in the subject line & state that you were asked to send this file to them for the BPO/Appraisal Appointment

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