

Short Sale Step-By-Step Process

Here's how it works:

1. We gather some basic information about the mortgage loan
2. The owner will sign an "Authorization To Release Information" form that allows their lender to provide information to us about their loan
3. If a foreclosure sale date (trustee sale date) is imminent, we request a postponement of the auction date to allow us to proceed with the short sale process
4. We notify the owner that their lender has agreed to postpone the trustee sale.
5. The lender provides documents to us that they need the owner to fill out and the list of documents they will need from the owner that are in their possession (such as pay stubs)
6. The owner signs the requested documents and give us a copy of their documents that we will submit to the lender
7. At the same time, we'll list the property for sale (per the lender's requirement) and present the owner with an offer to purchase the property, getting signatures on the listing and purchase documents
8. We forward all documents to the lender and ask for relocation assistance (\$) for the seller

From this point forward, here are the general time frames:

Days 1-5 - The lender receives the short sale package (this time frame varies by bank/lender and depends on how long it takes them to receive the documents and scan them into their system)

Days 6-30 – The lender begins the short sale processing

- They review the file to make sure they have all requested documents
- They order an appraisal of the property (full appraisal, inside BPO or drive by BPO)
- They determine what they are willing to take to settle your debt in full
- They issue an approval of the short sale offer OR they ask for a higher offer to be submitted (we will use an Addendum to change the offer price and the owner will sign it)

Days 31-70 – During this period, either the offer is accepted by the lender and escrow is proceeding to close or a higher 2nd offer was submitted for review and the lender is determining if they will approve the offer

Most short sales are approved and close within the 70 day time frame as the buyer and lender want the short sale to close as soon as possible. The number of days may be extended past 70 days if the lender declines all offers from a current buyer and a new buyer is sought and a new offer is submitted to the lender for processing and approval.

At closing, the seller/homeowner may be provided cash for their relocation assistance (solely up to the lender) and a time frame within which they need to move out (usually 3 days) and the seller gives the keys to us and we hand them to the new buyer. The seller can now move on knowing that the debt against them has been settled in full!