

Short Sale Seller Checklist with Sample Letters

Required Documentation

Please be advised that this is a recommendation of which documents are necessary when seeking short sale approval from a lender or upon hiring an Attorney to process a short sale in a timely manner. Supplying these documents will increase your approval chances as well as save time and money when processing your short sale.

- [] Hardship Letter (**Sample Attached**)
- [] Signed Letter of Authorization for all mortgages (**Sample Attached**)
- [] Signed Affidavit of "Arm's Length Transaction" (**Sample Attached**)
- [] Most Recent Mortgage Statement for all mortgages
- [] Financial Statement

For any Salaried Borrowers on the Loan Note:

- [] Last 30 Days of Paychecks
- [] Last two years Tax Returns including all schedules
- [] Last two years W-2 forms
- [] Last 2 months of Personal Bank Statements including all pages

For any Self Employed Borrowers on the Loan Note:

- [] YTD Profit & Loss Statement
- [] Last two years Personal & Business Tax Returns including all schedules
- [] Last two months of Personal Bank Statements including all pages
- [] Last two months of Business Bank Statements including all pages

If Any of the Following Documents Apply:

- [] Social Security Letter
- [] Pension Letter
- [] Disability Letter
- [] Unemployment Letter
- [] Lease Agreements for all property rentals

****Lenders will ask for updated information periodically throughout the short sale process. Please be ready to provide updates to any and all documentation provided.***

Sample Hardship Letter Guide

To Whom It May Concern:

From: Your Name and Name of Mortgage co-signer (if applicable)

Subject: Mortgage – include mortgage account number(s) and bank name(s) for each loan

Date: Today's Date

Paragraph 1: Please state the circumstances of your financial hardship and include the following points in this paragraph:

I tried to sell the house myself (or had it listed before) and have had no buyers.

I spoke to a realtor and he/she said that my house is overleveraged.

The reason I went into foreclosure is

(Please be specific as this will help.)

Paragraph 2: *As a result of the above circumstances I do not have the financial resources to pay my back payments on the mortgage or make payments (or, if you are not yet behind but it is eminent, please state so.) Also, the house is in need of the following repairs:*

LIST REPAIRS

Please be specific – putting yourself in the shoes of a very picky buyer helps.

Since I don't have the financial resources, I cannot afford to make the necessary repairs.

Paragraph 3: *The house is not worth what I/we currently owe. Hopefully, you can work something out on the amount owed with the person interested in buying my house so they can purchase it and help me/us move on.
Thank you for your time, and I hope we can have this matter resolved soon.*

Signature and Date required from all parties who signed the mortgage and promissory note.

Sample Letter of Authorization

Lender: _____

Loan Number: _____

Property Address: _____

I/We, _____ hereby authorize

to work with you on my/our behalf for the purpose of negotiating the sale of my/our property listed above. This authorization shall be effective for **1 year** from the date signed below.

Borrower Name: _____

Social Security Number: _____

Signature: _____ Date: _____

Co-Borrower Name: _____

Social Security Number: _____

Signature: _____ Date: _____

Sample Affidavit of “Arm’s Length Transaction”

State of _____

All Parties to the contract on the premises:

Property address: _____

Hereby affirm that this is an “**Arm’s Length Transaction**”,

No party to this contract is a family member, business associate, or shares a business interest with the mortgagee. Further, there are no hidden terms or special understandings between the seller or buyer or their agents or Mortgagee.

The Buyers and Sellers nor their Agents have any agreements written or implied that will allow the Seller to remain in the property as renters or regain ownership of said property at any time after the execution of this short sale transaction. None of the parties shall receive any proceeds from this transaction except the sales commission.

| | | | |
|----------|-------|----------|-------|
| _____ | _____ | _____ | _____ |
| (Seller) | Date | (Seller) | Date |

| | | | |
|------------|-------|------------|-------|
| _____ | _____ | _____ | _____ |
| Print Name | | Print Name | |

| | | | |
|------------------|-------|-----------------|-------|
| _____ | _____ | _____ | _____ |
| (Seller’s Agent) | Date | (Buyer’s Agent) | Date |

| | | | |
|------------------------|-------|------------------------|-------|
| _____ | _____ | _____ | _____ |
| Print Name and Company | | Print Name and Company | |

| | | | |
|---------|-------|---------|-------|
| _____ | _____ | _____ | _____ |
| (Buyer) | Date | (Buyer) | Date |

| | | | |
|------------|-------|------------|-------|
| _____ | _____ | _____ | _____ |
| Print Name | | Print Name | |

Buyer/Realtor Document Checklist

- Buyer's Prequalification Letter / Proof of Funds
- Copy of Escrow Deposit Check / Escrow Letter
- Fully Executed Purchase Contract
- Listing Agreement including listing price (signed and dated by seller and agent)
- Copy of MLS Listing
- MLS Listing History Report
- Most Recent Comparable Sales Report
- Property Repair Info including estimates and photos

Short Sale Contact Information Sheet

Subject Property:

Address: _____

City: _____ State: _____ Zip: _____

Buyer Information:

Mail Away: [] Yes [] No

Name(s): _____

Phone: _____

e-Mail: _____

Seller Information:

Mail Away: Yes or No

Name(s): _____

Phone: _____

e-Mail: _____

Listing Agent Information

Name: _____

Phone: _____ Fax: _____

e-Mail: _____

Selling Agent Information

Name: _____

Phone: _____ Fax: _____

e-Mail: _____