

AVOIDING SHORT SALE PITFALLS

3/3/2009

SELLER REPRESENTED MISTAKES

- ISSUE - HAVING SELLER SIGN ALL OFFERS RECEIVED
- RESOLUTION – HAVING SELLER NOT SIGN ANY OFFERS
- RESOLUTION – RECEIVE SUBSEQUENT OFFERS IN BACK UP POSITION

SELLER REPRESENTED MISTAKES

- ISSUE - FAILURE TO MOVE LISTING TO ACTIVE W/ CONTRACT OR PENDING STATUS
- RESOLUTION – NOT HAVING SELLER SIGN OFFER
- RESOLUTION – MOVE TO PROPER STATUS AND PROMOTE ACCEPTANCE OF BACKUP OFFERS

BUYER REPRESENTED MISTAKES

- ISSUE – HAVING BUYER SIGN MULTIPLE OFFERS
- RESOLUTION – USE RECOMMENDED VERBIAGE ALLOWING WITHDRAWAL OF OFFER PRIOR TO ACCEPTANCE
- RESOLUTION – PREPARE BUYERS TO WAIT AND/OR MISS NEW OPPORTUNITIES

BUYER REPRESENTED MISTAKES

- ISSUE – BUYER OFFERS EXPIRES WITHOUT EXTENSION
- RESOLUTION – PROPERLY EXTEND ACCEPTANCE PERIOD BY THIRD PARTY

REVIEW OF VERBIAGE

- REQUIRED VERBAGE IN THE MLS ON SHORT SALE LISTINGS
- Realtor only remarks – Selling office agrees that the total “co-broke” commission paid shall be 50% of the amount the lender approves during the short sale negotiations less the transaction fee noted in the mls co-broke offering.

REQUIRED VERBAGE ON SHORT SALE CONTRACTS

WHEN FUTURE HOME REPRESENTS THE SELLER

- This offer is contingent upon all current lien holders' approval of a short sale. This acceptance must include all current lien holders' decision to accept an amount less than what is owed on the current mortgage as well as all current lien holders' decision to waive their right to file a deficiency judgment or mandate the seller sign a note for any difference in net proceeds and the current loan balance(s).
- Selling office understands that this property shall continue to be on the market and that the seller may forward other offers to all current lien holders for approval prior to lien holders acceptance of any offer.
- Seller shall, in order to meet closing date, be prepared to vacate the property within 24 hours notice once all current lien holders have complied with acceptance defined in section (1) above.

REQUIRED VERBAGE WHEN FUTURE HOME REPRESENTS THE
BUYER ON A SHORT SALE CONTRACT

- Seller shall, in order to meet closing date, be prepared to vacate the property within 24 hours notice once all current lien holders have approved the short sale.

SUGGESTED VERBAGE ON SHORT SALE CONTRACTS WHEN FUTURE HOME REPRESENTS THE BUYER

- All parties understand that this offer is being made simultaneously with other offers the buyers have made. Buyer may, at anytime prior to the receipt of written notice that all current lien holders have approved the offer, withdraw this offer without penalty and receive a full refund of all earnest money.