

NORTH STAR TITLE AND ESCROW

SHORT SALE FORM

Attention: _____

Please complete this form in its entirety as accurately and promptly as possible.
This will expedite the Short Sale process.

1. Name of current owner(s)

2. Marital Status of owners _____

3. Property Address

4. Mailing Address

5. Best number for seller to be reached at _____
Alternate number _____
6. Social Security number(s) for Owner/Seller(s)

7. Information on current mortgage(s)
First Mortgage
Name of Company _____
Phone Number _____
Loan Number _____
Second Mortgage
Name of Company _____
Phone Number _____
Loan Number _____
8. Homeowners Association Information
Name of Company _____
Phone Number _____
9. To the best of your knowledge are the association payments current?

Please submit this fully completed form to North Star Title and Escrow along with addendum and hardship letter signed by all borrowers.

For Internal Used Only:
File Number _____

ADDENDUM

Seller:

Buyer:

Property:

Date:

The undersigned parties agree that the contract for Purchase and Sale for the above referenced property is contingent on the Seller obtaining approval from their lender for a Short Sale and authorization to disburse funds at closing. In the event the lender does not approve the Short Sale, the Buyer(s) shall receive a refund of their deposit and the contract shall be deemed null and void.

Due to the intricate nature of this transaction, both parties agree that North Star Title and Escrow, shall act as closing agent for the subject transaction and issue Title Insurance to the Buyer(s) and their Lender, if any. Each party shall be responsible for their respective, customary closing fees.

Seller(s) hereby authorize North Star Title and Escrow, to act on their behalf with their Mortgage Lender(s) to negotiate the mortgage payoff(s).

Buyer(s)

Seller(s)

Disclaimer: Neither, North Star Title and Escrow, can guarantee the results of negotiating a Short Sale. Both Buyer(s) and Seller(s) agree to hold North Star Title and Escrow, WFG Title Ins. and any Real Estate Agent(s) and Broker(s) involved harmless from any liability arising from the negotiating of a Short Sale in this transaction.

Dear Short Sale Customer

With the return of the Short Sale Form, Addendum, and Authorizations please include the following:

- 1) RECENT PAY STUBS (2 bi-weekly, 4 weekly), if not working include a letter which is signed and dated stating that you are unemployed and have no income, if self-employed and cannot provide paystubs provide your company profit and loss report.**
- 2) RECENT BANK STATEMENTS (2 if monthly or 1 if bimonthly)**
- 3) LAST 2 TAX RETURNS if you did not file either year, please include a letter signed and dated stating that you have not filed income taxes stating the specific years.**
- 4) LETTER OF HARDSHIP explaining your financial hardship which caused you to become behind on your mortgage payments, please be specific and include dates to establish a time line. Exp: in August of 07 I lost my job of 4 years, or other factors that were beyond your control, illness, divorce, or death in the family or any unexpected expenses.**

**Please provide these items to North Star Title and Escrow
You may fax to Lois Mumby at 954-727-9014**

LETTER OF AUTHORIZATION
HOA/CONDO ASSOC.

Date: _____

Property Address: _____

Owner's Name: _____

Condominium Association: _____

Account Number: _____

Closing Agent: _____

Please accept this letter as authorization to release information on the above referenced Unit and to negotiate a short sale (if applicable) on my/our behalf to Ines Leon and/or Lois Mumby of North Star Title and Escrow and/or _____.

Please contact me for any further information.

Thank you,

Seller

Seller

Date

LETTER OF AUTHORIZATION
MI

Date: _____

Property Address: _____

Owner's Name: _____

Name of Lender: _____

Loan Number: _____

SS Number: _____

Closing Agent: _____

Please accept this letter as authorization to release information on the above referenced property and to negotiate a short sale (if applicable) on my/our behalf to Ines Leon and/or Lois Mumby of North Star Title and Escrow and/or _____.

Please contact me for any further information.

Thank you,

Seller

Seller

Date

LETTER OF AUTHORIZATION
M2

Date: _____

Property Address: _____

Owner's Name: _____

Name of Lender: _____

Loan Number: _____

SS Number: _____

Closing Agent: _____

Please accept this letter as authorization to release information on the above referenced property and to negotiate a short sale (if applicable) on my/our behalf to Ines Leon and/or Lois Mumby of North Star Title and Escrow and/or _____.

Please contact me for any further information.

Thank you,

Seller

Seller

Date

10 FREQUENTLY ASKED SHORT SALE QUESTIONS

Here are 10 frequently asked short sale questions that are very helpful especially if you are in pre-foreclosures.

1. What happens to the seller's credit rating when they allow a Realtor to short sell their property?

What typically happens is the loan will show up as "paid" on their credit report, however there will be a notation that says "settled for less than originally owed" or something along these lines. It is more favorable for a homeowner to short sell than to have a foreclosure on their credit report.

2. Where do you find Realtor for Short Sales?

Depending on where you live, you may see Realtors who advertise with signs or in your local newspaper. Call Brokerage Firms directly and ask them if they are experienced in doing short sales and if they would be interested in working with you. Another good place is your local Real Estate investors club meeting.

3. Define a Short Sale?

A Short Sale is really a form of pre-foreclosure sale and occurs when the mortgagee agrees to accept less than the loan amount to avoid foreclosure. A negotiated Short Sale results in a discounted purchase price for the buyer. The buyer would finance the acquisition much the same as in any conventional realty acquisition, but without the luxury of time.

4. Can an owner profit from a short sale?

The seller cannot profit (monetarily) from a pre-foreclosure Short Sale. But there are always exceptions to the rule.

5. How do bankruptcies affect the possibility of doing a Short Sale?

Most mortgagees won't consider a Short Sale if the homeowner is in bankruptcy. Why? Because negotiating a Short Sale payoff is considered a collection activity. Collection activities are prohibited in bankruptcy.

6. Can somebody tell me what documents do I have to include in a short sale package?

Documents depend on the lender. Each lender has different requirements. It is typical to require hardship letter, purchase and sales contract, ECOR, settlement statement (HUD-1), net sheet, pay stubs, bank statements, personal financial sheet (monthly budget), amongst other things. If you work with a professional Realtor they will assist you in this process.

7. What percentage of mortgage companies send someone out for an appraisal on a possible Short Sale?

All lenders order a BPO or full appraisal of the property before making their decision to accept or rejected the Short Sale offer. This is there only way of assessing the value of the property.

8. How late in the pre-foreclosure process can you start a Short Sale?

Try to allow a window of at least 90 days to effectuate a mortgagee approved, pre-foreclosure Short Sale.

9. What is a Due on Sale Clause?

"Due on Sale" Clause (DOS) Provision in a mortgage or deed of trust calling for the total payoff of the loan balance in the event of a sale or transfer of title to the secured real property. A contract provision which authorizes the lender, at its option, to declare immediately due and payable sums secured by the lender's security instrument upon a sale of all or any part of the real property securing the loan without the lender's prior written consent.

For purposes of this definition, a sale or transfer means the conveyance of real property of any right, title or interest therein, whether legal or equitable, whether voluntary or involuntary, by for deed, leasehold interest with a term greater than three years, lease-option contract or any other method of conveyance of real property interests. Standard language, which states, that the loan must be paid when a house is sold.

10. Will banks allow a Short Sale when the owner has some or a good amount of equity?

If a property has what the lender would consider a substantial amount of equity, chances are they would consider allowing the property to foreclose and they reselling it closer to the retail value.

Received Copy Date : _____ Signature: _____