
Short Sale Package

Certified Distressed Property Experts
Master Short Sale Negotiators

07/13/2021

5,723,015

COMMISSIONER OF FINANCIAL REGULATION

04 28 146
MESSAGE (S) :

CINDY21.COM LLC.

6012 07/13/2021



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

MARYLAND DEPARTMENT OF LABOR

COMMISSIONER OF FINANCIAL REGULATION

CERTIFIES THAT:

LEGAL NAME: CINDY21.COM LLC.
D/B/A:

10169 NEW HAMPSHIRE AVE
104
SILVER SPRING MD 20903

NMLS ID#
2132859

IS AN AUTHORIZED: **28 - CREDIT SERVICES BUSINESS**

LIC/REG/CERT
146

EXPIRATION
12/31/2021

EFFECTIVE
07-09-2021

CONTROL NO.
5723015

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

04 28 146

5,723,015

04 28 146

COMMISSIONER OF FINANCIAL REGULATION
500 N. CALVERT STREET, ROOM 402
BALTIMORE, MD 21202-3651

CINDY21.COM LLC.

10169 NEW HAMPSHIRE AVE
104
SILVER SPRING

MD 20903

		LICENSE * REGISTRATION * CERTIFICATION * PERMIT STATE OF MARYLAND MARYLAND DEPARTMENT OF LABOR		Lawrence J. Hogan, Jr. Governor Boyd K. Rutherford Lt. Governor Tiffany P. Robinson Secretary
COMMISSIONER OF FINANCIAL REGULATION NMLS ID#: 2132859 CINDY21.COM LLC.				
IS AN AUTHORIZED: 28 - CREDIT SERVICES BUSINESS				
<u>LIC/REG/CERT</u> 146	<u>EXPIRATION</u> 12/31/2021	<u>EFFECTIVE</u> 07-09-2021	<u>CONTROL NO.</u> 5723015	
 Signature of Bearer	 Secretary			

List of Documents

Listing agreement along with the following

Checklist of Required Homeowner's Documentation

All listing Disclosure as applicable to the home

Authorization to Release Information

Authorization to Release Information - HOA

RMA

Financial Statement

FYI on Short Sales

Indemnity Agreement

Privacy Notice

Short Sale Seller Advisory

Hardship Letter Example

Seller Due Diligence

**DOES NOT INCLUDE REQUIRED ALL BROKER DISCLOSURES AND LISTING
AGREEMENTS WITH REAL ESTATE AGENT**

Checklist of Required Homeowner's Documentation

We appreciate the opportunity to assist you in short selling your home, while improving your current and future financial stability. In order to get a short sale approved certain documentation listed below must be provided. After the required documentation is received I can start the process of negotiating the short sale request with your Lender(s).

Read All Information Provided

- Pay Stubs (a full month)
- Two Years Most Recent Tax Returns & W-2's
- Two Months Bank Statements (all pages)
- Mortgage Payment Coupon (s)
- Explanation of Hardship (Letter to Lender(s), signed & dated)
- Supporting Documents for Hardship
 - Letter of Termination/Layoff Notice
 - Job Relocation Letter
 - Unemployment Benefit Letter
 - Medical Bills
 - Death or Illness in Family Documentation
 - Divorce Decree/Separation Agreement
 - Child Support/Alimony Documents
 - Rate increase/Payment increase letter
 - Repair bills, etc
- Collection/Foreclosure Letters
- Sale Date Notice
- Financial Statement (attached)
- Homeowner's Questionnaire (attached)
- Authorization to Release Information (attached)
- Hardship Affidavit (attached)
- Indemnity Agreement (attached)
- Privacy Notice (attached)
- FYI on Short Sales (attached)

MARS DISCLOSURE

Mortgage Assistance Relief Services Disclosure

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

Brokerage is not associated with the government and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan.

You may stop doing business with us at any time with regard to our Short Sale Negotiation services, which are being provided to you as part of our Real Estate Brokerage Services.

You may accept or reject the offer of mortgage assistance we obtain from your lender or servicer. Whether you accept or reject the offer, you do not have to pay us a fee for our Short Sale Negotiation services. However, you may be obligated to pay us a commission for our Real Estate Brokerage Services as outlined in the Exclusive Right to List Agreement.

If you stop paying your mortgage, you could lose your home and damage your credit rating.

By signing below you are acknowledging receipt of a copy of the MARS Disclosure.

Seller

Date

Seller

Date

Broker (Agent)

Date

SHORT SALE QUALIFICATION QUESTIONS

SELLERS NAME: _____ Phone # _____ BEST TIME TO CALL: AM PM ANYTIME

PROPERTY ADDRESS: _____ PRIMARY RESIDENCE: Y N INVESTMENT PROPERTY: Y N

HOW LONG HAVE YOU LIVED IN THE HOME: _____ YEARS _____ MONTHS

EMAIL ADDRESS: _____

HARDSHIP (circle one) Job Loss / Transfer Divorce Interest Rate / Payment Increase Other: _____

OWNER-OCCUPIED Y N TENANT- OCCUPIED Y N

CONSULTED WITH TAX ADVISOR Y N LEGAL ADVISOR Y N CREDIT ADVISOR Y N

FILING BANKRUPTCY Y N

TRUSTEE SALE Y N DATE: _____

BEHIND ON PAYMENTS: Y N NUMBER OF MONTHS: _____

FIRST MTG. COMPANY: _____ APRX BALANCE: _____

SECOND MTG COMPANY: _____ APRX BALANCE: _____

HELOC / LINE OF CREDIT: Y N

IS THIS THE ORIGINAL LOAN YOU PURCHASED THE HOME WITH: Y N

HOA: Y N CURRENT ON PAYMENTS: Y N

TYPE OF LOAN (S): CONV FHA VA

LEINS OTHER THAN PROPERTY TAXES: Y N If yes, for what: _____

***SELLER(S) WILLING TO:**

PREPARE HOME FOR SALE	Y	N
MAINTAIN YARD, POOL, ETC	Y	N
MAINTAIN UTILITIES	Y	N
SIGN DEFICENCY JUDGEMENT/PROMISSARY NOTE	Y	N
ATTEMPTED TO NEGOTIATE A LOAN MOD WITH LENDER	Y	N

Questions that you have regarding a short sale:

SELLER SIGNATURE: _____ Date: _____

SELLER SIGNATURE: _____ Date: _____

**Making Home Affordable Program
Request For Modification and Affidavit (RMA)**



REQUEST FOR MODIFICATION AND AFFIDAVIT (RMA) page 1

COMPLETE ALL THREE PAGES OF THIS FORM

Loan I.D. Number _____

Servicer _____

BORROWER		CO-BORROWER	
Borrower's name		Co-borrower's name	
Social Security number	Date of birth	Social Security number	Date of birth
Home phone number with area code		Home phone number with area code	
Cell or work number with area code		Cell or work number with area code	

I want to: Keep the Property Sell the Property

The property is my: Primary Residence Second Home Investment

The property is: Owner Occupied Renter Occupied Vacant

Mailing address _____

Property address (if same as mailing address, just write same) _____ E-mail address _____

<p>Is the property listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Have you received an offer on the property? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Date of offer _____ Amount of offer \$ _____</p> <p>Agent's Name: _____</p> <p>Agent's Phone Number: _____</p> <p>For Sale by Owner? Yes No <input type="checkbox"/></p>	<p>Have you contacted a credit-counseling agency for help <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please complete the following:</p> <p>Counselor's Name: _____</p> <p>Agency Name: _____</p> <p>Counselor's Phone Number: _____</p> <p>Counselor's E-mail: _____</p>												
<p>Who pays the real estate tax bill on your property?</p> <p><input type="checkbox"/> I do <input type="checkbox"/> Lender does <input type="checkbox"/> Paid by condo or HOA</p> <p>Are the taxes current? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Condominium or HOA Fees <input type="checkbox"/> Yes <input type="checkbox"/> No \$ _____</p> <p>Paid to: _____</p>	<p>Who pays the hazard insurance premium for your property?</p> <p><input type="checkbox"/> I do <input type="checkbox"/> Lender does <input type="checkbox"/> Paid by Condo or HOA</p> <p>Is the policy current? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Name of Insurance Co.: _____</p> <p>Insurance Co. Tel #: _____</p>												
<p>Have you filed for bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 13 Filing Date: _____</p> <p>Has your bankruptcy been discharged? <input type="checkbox"/> Yes <input type="checkbox"/> No Bankruptcy case number _____</p>													
<p>Additional Liens/Mortgages or Judgments on this property:</p> <table border="1"> <thead> <tr> <th>Lien Holder's Name/Servicer</th> <th>Balance</th> <th>Contact Number</th> <th>Loan Number</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Lien Holder's Name/Servicer	Balance	Contact Number	Loan Number								
Lien Holder's Name/Servicer	Balance	Contact Number	Loan Number										

HARDSHIP AFFIDAVIT

I (We) am/are requesting review under the Making Home Affordable program.
I am having difficulty making my monthly payment because of financial difficulties created by (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> My household income has been reduced. For example: unemployment, underemployment, reduced pay or hours, decline in business earnings, death, disability or divorce of a borrower or co-borrower. | <input type="checkbox"/> My monthly debt payments are excessive and I am overextended with my creditors. Debt includes credit cards, home equity or other debt. |
| <input type="checkbox"/> My expenses have increased. For example: monthly mortgage payment reset, high medical or health care costs, uninsured losses, increased utilities or property taxes. | <input type="checkbox"/> My cash reserves, including all liquid assets, are insufficient to maintain my current mortgage payment and cover basic living expenses at the same time. |

Other:

Explanation (continue on back of page 3 if necessary): _____

INCOME/EXPENSES FOR HOUSEHOLD¹

Number of People in Household: _____

Monthly Household Income		Monthly Household Expenses/Debt		Household Assets	
Monthly Gross Wages	\$	First Mortgage Payment	\$	Checking Account(s)	\$
Overtime	\$	Second Mortgage Payment	\$	Checking Account(s)	\$
Child Support / Alimony / Separation ²	\$	Insurance	\$	Savings/ Money Market	\$
Social Security/SSDI	\$	Property Taxes	\$	CDs	\$
Other monthly income from pensions, annuities or retirement plans	\$	Credit Cards / Installment Loan(s) (total minimum payment per month)	\$	Stocks / Bonds	\$
Tips, commissions, bonus and self-employed income	\$	Alimony, child support payments	\$	Other Cash on Hand	\$
Rents Received	\$	Net Rental Expenses	\$	Other Real Estate (estimated value)	\$
Unemployment Income	\$	HOA/Condo Fees/Property Maintenance	\$	Other _____	\$
Food Stamps/Welfare	\$	Car Payments	\$	Other _____	\$
Other (investment income, royalties, interest, dividends etc.)	\$	Other _____	\$	Do not include the value of life insurance or retirement plans when calculating assets (401k, pension funds, annuities, IRAs, Keogh plans, etc.)	
Total (Gross Income)	\$	Total Debt/Expenses	\$	Total Assets	\$

INCOME MUST BE DOCUMENTED

¹Include combined income and expenses from the borrower and co-borrower (if any). If you include income and expenses from a household member who is not a borrower, please specify using the back of this form if necessary.

²You are not required to disclose Child Support, Alimony or Separation Maintenance income, unless you choose to have it considered by your servicer.

INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the federal government in order to monitor compliance with federal statutes that prohibit discrimination in housing. **You are not required to furnish this information, but are encouraged to do so. The law provides that a lender or servicer may not discriminate either on the basis of this information, or on whether you choose to furnish it.** If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, the lender or servicer is required to note the information on the basis of visual observation or surname if you have made this request for a loan modification in person. **If you do not wish to furnish the information, please check the box below.**

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be completed by interviewer

This request was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet	Interviewer's Name (print or type) & ID Number	Name/Address of Interviewer's Employer
	Interviewer's Signature Date	
	Interviewer's Phone Number (include area code)	

ACKNOWLEDGEMENT AND AGREEMENT

In making this request for consideration under the Making Home Affordable Program, I certify under penalty of perjury:

1. That all of the information in this document is truthful and the event(s) identified on page 1 is/are the reason that I need to request a modification of the terms of my mortgage loan, short sale or deed-in-lieu of foreclosure.
2. I understand that the Servicer, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements and may require me to provide supporting documentation. I also understand that knowingly submitting false information may violate Federal law.
3. I understand the Servicer will pull a current credit report on all borrowers obligated on the Note.
4. I understand that if I have intentionally defaulted on my existing mortgage, engaged in fraud or misrepresented any fact(s) in connection with this document, the Servicer may cancel any Agreement under Making Home Affordable and may pursue foreclosure on my home.
5. That: my property is owner-occupied; I intend to reside in this property for the next twelve months; I have not received a condemnation notice; and there has been no change in the ownership of the Property since I signed the documents for the mortgage that I want to modify.
6. I am willing to provide all requested documents and to respond to all Servicer questions in a timely manner.
7. I understand that the Servicer will use the information in this document to evaluate my eligibility for a loan modification or short sale or deed-in-lieu of foreclosure, but the Servicer is not obligated to offer me assistance based solely on the statements in this document.
8. I am willing to commit to credit counseling if it is determined that my financial hardship is related to excessive debt.
9. I understand that the Servicer will collect and record personal information, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. I understand and consent to the disclosure of my personal information and the terms of any Making Home Affordable Agreement by Servicer to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Homeowner Affordability and Stability Plan; (c) any investor, insurer, guarantor or servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies that perform support services in conjunction with Making Home Affordable; and (e) any HUD-certified housing counselor.

▶ _____
Borrower Signature

Date

▶ _____
Co-Borrower Signature

Date

HOMEOWNER'S HOTLINE

If you have questions about this document or the modification process, please call your servicer.

If you have questions about the program that your servicer cannot answer or need further counseling, you can call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673). The Hotline can help with questions about

NOTICE TO BORROWERS

Be advised that by signing this document you understand that any documents and information you submit to your servicer in connection with the Making Home Affordable Program are under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income, expenses, or assets will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution. By signing this document you certify, represent and agree that:
"Under penalty of perjury, all documents and information I have provided to Lender in connection with the Making Home Affordable Program, including the documents and information regarding my eligibility for the program, are true and correct."

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by calling 1-877-SIG-2009 (toll-free), 202-622-4559 (fax), or www.sig tarp.gov. Mail can be sent to Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L St. NW, Washington, DC 20220.



BORROWERS AUTHORIZATION TO RELEASE LOAN INFORMATION

Borrower(s): _____

Address: _____

Lender (1st): _____ Loan # _____

Lender (2nd): _____ Loan # _____

I (we), the undersigned hereby authorize you to release information regarding the above referenced loan to Name of Agent and Brokerage _____
_____.

This authorization allows the above referenced individual to receive information regarding my loan, payoff amounts and fees, duplicates of any notices sent to me and has my authorization to inquire and negotiate on my behalf. This authorization remains in effect until revoked in writing.

Borrower Signature Date

Date of Birth

SSN

Borrower Signature Date

Date of Birth

SSN

Realtor Information

**SELLER(S) AUTHORIZATION TO
RELEASE HOA/CONDO
INFORMATION**

Seller(s): _____
Address: _____
Homeowners Association: _____
Lot # _____

I (we), the undersigned hereby authorize you to release information regarding the above referenced property to Name of agent and Brokerage and Title Agency.

This authorization allows the above referenced individual to receive information regarding my account including a schedule of fees: disclosures, transfer fees, community reserves, working capital, asset preservation, capital reserves, special assessments, fines, liens or any other fees that are pertinent in the sale of the referenced property, and has my authorization to inquire and negotiate on my behalf. This authorization remains in effect until revoked in writing.

Seller Signature Date

Lot # / Account #

Seller Signature Date

Lot # / Account #

Realtor Information

FINANCIAL STATEMENT

Borrower Information

Name	Social Security Number
Name	Social Security Number
Home Telephone Number	Work Telephone Number

Address Information

Home Address
Property Address (if different)

Assets/Liabilities

Description	Est. Value	Amount Owed	Net Value
Primary Home	\$	\$	\$
Other Home	\$	\$	\$
Auto	\$	\$	\$
Auto	\$	\$	\$
Checking/Savings	\$	\$	\$
Boats	\$	\$	\$
Cash Value of Life Ins	\$	\$	\$
Collections	\$	\$	\$
Computers	\$	\$	\$
IRA Accounts	\$	\$	\$
401k/ESOP Accounts	\$	\$	\$
Stocks/Bonds/CDs	\$	\$	\$
Trailers	\$	\$	\$
IRS Liens	\$	\$	\$
Other Investments	\$	\$	\$
Other Investments	\$	\$	\$
TOTAL	\$	\$	\$

Income

Description	Borrower	Co-Borrower	Total
Net Income Job 1	\$	\$	\$
Net Income Job 2	\$	\$	\$
Child Support/Alimony	\$	\$	\$
Retirement/Pension	\$	\$	\$
Social Security/Disability	\$	\$	\$
Rental Income	\$	\$	\$
Other	\$	\$	\$
TOTAL	\$	\$	\$

Expense Information

Category	Description	Monthly Payment	Balance Due	Delinquent (Y/N)	
Monthly Payments					
	Mortgage 1	\$	\$	Y	N
	Mortgage 2	\$	\$	Y	N
	Alimony/Child Support	\$	\$	Y	N
	Child Care	\$	\$	Y	N
	HOA Fees	\$	\$	Y	N
	Property Insurance	\$	\$	Y	N
	Property Tax	\$	\$	Y	N
Loans					
	Auto	\$	\$	Y	N
	Auto	\$	\$	Y	N
	Furniture/Appliances	\$	\$	Y	N
	Student Loans	\$	\$	Y	N
	Personal Loans	\$	\$	Y	N
	Other	\$	\$	Y	N
Credit Cards					
	#1	\$	\$	Y	N
	#2	\$	\$	Y	N
	#3	\$	\$	Y	N
	#4	\$	\$	Y	N
Utilities					
	Electricity	\$	\$	Y	N
	Gas	\$	\$	Y	N
	Telephone	\$	\$	Y	N
	Cellular	\$	\$	Y	N
	Water	\$	\$	Y	N
	Trash/Sewer	\$	\$	Y	N
	Internet	\$	\$	Y	N
	Cable	\$	\$	Y	N
Insurance					
	Auto	\$	\$	Y	N
	Health	\$	\$	Y	N
	Life	\$	\$	Y	N
Dues					
	Club	\$	\$	Y	N
	Union	\$	\$	Y	N
Medical					
	Medical Bills/Co-pays	\$	\$	Y	N
	Prescriptions	\$	\$	Y	N
Car					
	Gasoline/Maintenance	\$	\$	Y	N
	Monthly Parking	\$	\$	Y	N
Food					
	Groceries	\$	\$		
	School or Work Lunches	\$	\$		
Clothing					
	Dry Cleaning	\$	\$		

Misc.		
Spending Money/Entertainment	\$	\$
Animal Care	\$	\$
Clubs, Sports & Hobbies	\$	\$
Vacations	\$	\$
Education/Tuition	\$	\$
Household Supplies	\$	\$
Church/Charitable Contributions	\$	\$
Savings		
Savings Bond	\$	\$
Credit Union	\$	\$
Bank	\$	\$
TOTAL	\$	\$

Recap

Item	Current
Total Income	\$
Total Expenses	\$
Difference	\$

I agree that the financial information provided is an accurate statement of my financial status. I understand and acknowledge that any action taken by the lender of my mortgage loan on my behalf will be made in strict reliance to the financial information provided.

Submitted this _____ day of _____, 20____.

BY _____ / /
Signature of Borrower **Date**

BY _____ / /
Signature of Borrower **Date**

Final Instructions

- Review the Financial Worksheet to make sure it is correct.
- Make sure you have signed and dated the form.
- Be sure you have your last two years' federal tax returns with all attachments.
- Be sure you have copies of two recent pay stubs for all wages and salaries reported.
- Make copies of everything and keep them for your records.

FYI on Short Sales

The following is a condensed version of the most popular questions a seller may have on short sales. As a REALTOR®, we are not licensed as a lawyer or a CPA and cannot advise on all matters of the short sale process. Please obtain advice from a competent real estate lawyer on legal issues and discuss with your accountant on the tax ramifications that may be unique to your specific situation. Please refer to previous pages in this packet for a list of attorneys and tax advisors.

What is a short sale?

A short sale, also known as a short pay or short payoff, allows a homeowner to sell their property for less than the amount owed to the bank. When the market value of the property is less than the amount owed, the owner is considered up-side-down. The proceeds from the sale are used to pay-off the outstanding amount of the mortgage. Although the proceeds will be "short" amount actually owed on the mortgage, it allows a homeowner the opportunity to avoid foreclosure. Ultimately it may put their credit standing in a better position than if an actual foreclosure were to take place. The entire process hinges on the approval of the lender to accept less than the amount due.

What are the credit implications to a short sale?

The property owner's credit could be negatively and severely affected. Here is why. Say the homeowner owes \$100,000 on the foreclosed property, but the lender only gets \$70,000 from the sale. The lender can then sue the homeowner for the \$30,000 difference. But, the homeowner won't have the \$30,000. If he did, he most likely wouldn't have gone into foreclosure in the first place. If the lender chooses to sue and the homeowner cannot pay, a deficiency judgment would appear on the homeowner's credit report, negatively affecting the homeowner's credit (*At present, Arizona has an anti-deficiency law whereas a borrower has protection against a deficiency Judgment.*)

In some cases, the bank chooses not to sue, but to take the loss as a **tax write-off**. In this case, there would be no deficiency judgment on the homeowner's credit report; however, there is another implication. The \$30,000 that the homeowner did not have to pay would be considered by the IRS to be income. The lender can send a 1099c to the homeowner at the end of the year, and the homeowner could be required to pay taxes on that \$30,000. Even when the bank chooses not to sue, the foreclosure can end up showing up in credit checks because it is a public record.

What information will the bank need to decide whether to accept a short sale?

The sellers' submission package should include W-2 forms from employers (or a letter explaining the seller is unemployed), bank statements, two years of tax returns, and other financial documents outlining income and debt obligations. The bank will also need comps or a broker's price opinion showing your estimate of value. In addition, the sellers should submit a "hardship letter," explaining the circumstances that make it impossible for them to pay the full amount of the loan. The seller needs to be able to show true financial hardship. Someone with the assets or the income to pay is unlikely to be considered.

What are the options besides a short sale?

Thanks to programs such as those proposed by Fannie Mae and Freddie Mac to assist sub-prime borrowers, many lenders are more willing to offer loan modification options. This option can extend the term of the loan, add on delinquent payments to the loan principal, and/or reduce the interest rate to make the loan more manageable for the home owner. Another option is a repayment plan that requires home owners to increase their monthly payments until the loan is current.

Loan Resolution (Loss Mitigation) Options:

Repayment Plan:

A repayment plan distributes the homeowner's delinquent payments over a period of time, usually no more than 10 months. The monthly amount is added to the usual mortgage payment. This brings the account up-to-date within a specified time-frame. With a goal in sight, the owner can move forward knowing that the home is secure.

Forbearance Plan:

An agreement to temporarily allow a homeowner to pay less than the actual amount due on their mortgage or it will suspend payments entirely the forbearance period. More commonly associated with Fannie Mae, Freddie Mac, FHA, and VA. Each has various requirements a homeowner must meet, it is very situation specific so the homeowner should contact the lender directly to see if forbearance is an option. The goal is to put the homeowner back on track to resume full regular payments.

Loan Modification:

A loan modification applies any past-due interest and escrow amounts to the unpaid principal balance, which is then re-amortized over a new term. Giving the owner a fresh start on managing their loan and brings the account up-to-date immediately. There are many requirements; the homeowner must contact the servicing lender for details of their individual circumstances.

Partial Claim (only for FHA loans):

The Department of Housing and Urban Development (HUD) advances a loan to repay the past due interest and escrow amounts. HUD loan is interest-free and brings the account up-to-date immediately.

Short Sale:

Allows the owner to sell the home and use the proceeds to pay off the mortgage if they are unable to maintain payments, even if the home's market value is less than the total amount owed. Avoids the lengthy legal process involved in foreclosure. **Generally, a short sale is less damaging to the credit rating than foreclosure.**

FHA Pre-Foreclosure/Short Sale Requirements:

The property is owner-occupied or reasonable circumstances exist if it is not, the loan is at least 2 months delinquent and can sell within 3 to 5 months. A new appraisal (obtained by your lender) shows that the value of your home meets HUD program guidelines. FHA does allow for short sales, contrary to some reports.

Deed In Lieu of Foreclosure:

Allow the owner to transfer the property voluntarily to the servicing bank if the seller is unable to maintain payments and cannot sell the home at market value. Avoids the lengthy legal process involved in foreclosure. May be as damaging to the credit rating as foreclosure (this option is a foreclosure and will be reported as such).

How should the property be priced in a short sale?

In general, most short sale experts say to price the property at or near fair market value, although a few will begin with the total payoff amount owned by the seller. How frequently prices are dropped will depend in part on whether the property is in pre-foreclosure. Most banks have a formula for what percentage under market value they will accept. Figures cited vary from 8 percent under to almost 20 percent under.

Indemnity Agreement

Seller(s) understand that the listing Agent will not provide Seller(s) with legal or tax advice. Seller(s) agree to seek independent legal and or tax counsel pertaining to the sale of their home. The Seller(s) shall contact an appropriate Real Estate Attorney and or Certified Public Accountant to obtain counsel relating to the implications and questions Seller(s) may have regarding the sale of their home. The Seller(s) acknowledge they have been given the opportunity and have been advised to discuss the transaction with independent qualified legal and tax counsel and have done so to the extent desired by Seller(s). Seller(s) furthermore acknowledge receipt of the AAR Short Sale Advisory and understand that it is for general information purposes only and not intended for legal or other professional services or advice.

Seller(s) is advised to review thoroughly the Short Sale Addendum to the Listing Contract for:

- Short Sale Definition
- Creditor Considerations
- Tax Considerations
- Determining the Amount Owed
- Obtaining Creditor Approval
- Other Options

Seller(s) agree that there have been no guarantees, promises of a sale, no warranties implied or otherwise as to the timing of a sale, the sale price, and or any probability of sale made to the Seller(s) by the Listing Agent or Brokerage. Information provided to the Seller(s) is for informational purposes to assist Seller(s) in making an educated decision regarding the sale of their home. Information provided by the Listing Agent is only one source of information. Seller(s) should obtain independent qualified legal and tax counsel. Broker(s) and Agent(s) are not qualified to provide any legal or tax information regarding a short sale transaction.

Seller(s) hereby agree to hold Listing Agent and Brokerage harmless from any claims, demands, liabilities, actions, proceedings, judgments, fines or any other expense without limitations, that could have been investigated by Seller(s) prior, during or after the sale or expiration / cancellation of the short sale transaction for the property defined below.

Seller(s) agree by signing this release, Seller(s) are entering into the sales transaction voluntarily, and have been advised and given an opportunity to consider all alternatives regarding the sale of their home. Listing Agent has made no oral representations, statements or inducements to Seller(s) regarding the salability, terms, price, and or legal and tax consequences of sale.

Seller(s) Signature

Date

Seller(s) Signature

Date

Property Address

City

State

Zip Code

Brokerage

Listing Agent

Date

PRIVACY NOTICE

One's Commitment to Privacy

Your privacy is very important to us. To better protect your privacy we provide this notice about the way your information is collected and used. We are committed to assuring the privacy of individuals and or families who have contacted our Brokerage for assistance. We assure you that all of the information shared both verbally and in writing will be managed within our legal and ethical considerations. Your "personal financial information" will be provided to creditors and others with your specific written authorization.

We may disclose some or all of the information that we collect to creditors, or third parties that you have authorized, who need this information in order to assist you. We may disclose the following "non public" personal information about you:

- Name, Address, Phone Contacts, Fax Numbers, Email Address
- Financial Information
- Social Security Number
- Your Assets
- Your Tax Returns
- Your Bank Statements
- Account Balances
- Outstanding Liens
- HOA Information
- Hardship Letter

In our commitment to Data Security and to prevent unauthorized access, maintain data accuracy, and to ensure the correct use of information, we have put in place appropriate physical, electronic and managerial procedures to safeguard and secure the information we collect.

I hereby authorize Brokerage and its agents to release all "non public" information it obtains about me as an individual and / or family to (1) my creditors and (2) any third parties necessary to resolve the matters discussed and furthermore release and authorize all my creditors to provide "non public" information about me the brokerage / Agents.

Seller Signature

Date

Seller Signature

Date

HOMEOWNER'S QUESTIONNAIRE

Borrower Name: _____ Social Security #: _____ DOB: _____

Co-Borrower Name: _____ Social Security #: _____ DOB: _____

Home Phone: _____ Alternative Phone: _____

Email Address (s): _____

Subject Property Address: _____

Mailing Address: _____

1st Mortgage Holder: _____ Account #: _____

Approximate Balance \$: _____ Is this an Original Purchase Loan?: _____

Month/Year Purchased: _____ Interest Rate %: _____

Is your rate approaching an adjustment, and if so what is the adjustment?: _____

2nd Mortgage Holder: _____ Account #: _____

Approximate Balance \$: _____ Is this an Original Purchase Loan?: _____

Was the loan used to purchase/refinance the home?: _____

If no, what was the loan used for?: _____

Month/Year Purchased: _____ Interest Rate %: _____

Is your rate approaching an adjustment, and if so what is the adjustment?: _____

Home Owner's Association (HOA) Name: _____

Management Company: _____ HOA Phone #: _____

HOA Monthly Dues: _____

Are you current on your HOA dues, and if not how much do you owe? _____

Are you current on your property taxes, and if not how much do you owe? _____

Are you current on your mortgage payments, and if not what is the last payment accepted by your mortgage lender (month/year)?: _____

Briefly explain your past payment history with your mortgage lender: _____

Have you ever been placed on a previous forbearance, loan modification, or any other work out agreement with your mortgage lender?: _____

If so please list the dates and details of the agreement: _____

Are you in Foreclosure at this time?: _____

If yes has an auction sale date been set?: _____ If yes what is the sale date?: _____

Have you ever filed Bankruptcy? If so, when did you file and what chapter? _____

Do you have any additional liens on subject property? _____

Printed Name of Homeowner

Signature of Homeowner **Date**

Printed Name of Homeowner

Signature of Homeowner **Date**

SELLER ACKNOWLEDGEMENT

Seller acknowledges receipt of this Advisory and further acknowledges that there may be other issues of concern not listed herein. The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact your own lawyer.

Short Sale Seller Advisory

*A Resource for
Real Estate Consumers
Provided by the*

^ SELLER SIGNATURE

DATE

^ SELLER SIGNATURE

DATE