

Short Sale Process and Seller Expectations

Thank you once again for choosing to work with Jonathan Dalton and Thompson's Realty. We know that this time can be very difficult on you. It is our objective to help you Short Sale your home and move forward from this period in your life as quickly as possible. This document was created to inform you of how we process all of our Short Sale listings and the expectations that we place on you, as the Seller of the home.

Please read through this entire document and sign/date the last page, to acknowledge your acceptance of our Short Sale process and the expectations you will be held to.

Process

We believe that we have a Short Sale process that is as good or better than any in the industry. From our initial consultation with you all the way through and after the closing, we have a process in place that delivers results and aims to eliminate potential problems. Our process is actually pretty simple. Here's our process...

- Prior to taking your Short Sale Listing, we collect the "Financial Package" from you, which includes all of the information your bank will request from us.
- ***We recommend before you decided to do a short sale you talk to a real estate attorney and accountant.***
- You list your home and the day the home goes in MLS, we send a Borrower's Authorization Form to the bank, in most cases from the short sale department at Driggs Title. This document allows us to communicate with your bank directly.
- We market your property and price the home at, or slightly below, market value until we get an offer
- We are only looking for **ONE** contract to send to the bank. We are looking for **ONE** qualified Buyer with an appropriate offer price that has serious intentions on closing the transaction. If we have this, we will fully execute **ONE** contract to send to the bank.
- Once an offer is received on your property, we will quickly review that offer with our team and then will contact you and send you the offer that was received for your signature and initials. This offer will have been reviewed to ensure all terms will meet the lenders' requirements. In some cases, a counter offer will be generated to ensure the offer meets all necessary terms. It is ***imperative*** that you send that contract back to your Listing Agent immediately, as the contract is time sensitive. If you have ***any*** questions regarding that contract, please address those with your Listing Agent before signing anything. Upon acceptance, we will also request that you send updated Bank Statements and Pay Stubs along with the signed contract.
- Once the contract is fully executed, we submit the fully executed contract, a HUD-1, and all of your financial documents to the bank to begin the 60-90 day Short Sale process (this is the average length of processing time – some are much quicker, some take up to 90 days). Please be patient throughout this process. At times you may feel things are moving slowly, but remember: this is not a regular transaction and we are doing all we can on our end to make things go as quickly as possible.
- Your bank(s) will then do one or more valuations on the home to identify what they think the home is worth. Once their valuations are back, they'll review the offer and all corresponding documentation and finally issue their decision.
- Once the bank accepts the terms of the offer, we'll issue a document called the Agreement Notice – the notice to all parties that the Short Sale has been approved. In rare circumstances, we will need to go back to the Buyer and tell them why the bank will not accept their offer and give them an opportunity to raise their offer.

Marketing Your Home

Your home will be shown to both investors and traditional buyers through the MLS and many other websites. It is a requirement of ours that your home has a lockbox on it for easy showing access. Statistics have shown over and over again that homes with lockboxes on them sell much faster than those that are by appointment only.

During this process, your home may be shown several times a day. It is your responsibility to make sure the home is in good showing condition and is available to be shown in an appropriate and timely manner. Our mutual goal is to get the highest and best offer in the shortest amount of time. While your home is being shown by other Realtors, please be sure to direct any non-property related questions to your Listing Agent.

Part of having your home in good showing condition includes keeping all utilities (electricity, water, gas, sewer, etc.) on at the home for the duration of the sales process. Per the Exclusive Right To Sell/Listing Agreement, it is the Seller's responsibility to keep all utilities on while marketing the home as well as while we are in the negotiation and closing process. It is imperative utilities are on at the time of the Buyer's home inspection.

Marketing a Home with Tenants

On some occasions, the homes that we list are tenant-occupied rather than owner-occupied. In this situation, it is imperative that you are in full communication with your tenant. Your tenant must agree to sign an agreement with you to vacate the property within 2 weeks of the bank agreeing to the short sale.

Additionally, we will not list any homes that are tenant-occupied without the written consent of you and the tenant to allow a lockbox on the property and any and all showings of the property with 1 hour advanced notice. We will not list a home if the tenant is not cooperative with any of the above points.

We have created a Tenant Acknowledgment form for you to use with your tenants. This form entails all of the points covered above and **must** be signed by you and your tenants prior to the listing of your home.

Items in Home:

We understand that there are items in your home you may not want to part with; however, there are several items in every home that are considered “fixtures” according to the sales contract. The following items are considered a fixture and are expected to convey with the home:

- Range/Oven
- Towel, Curtain & Drapery Rods
- Attached Floor Coverings
- Window & Door Screens/Sun Screens
- Attached TVs & Satellite Dishes
- Garage Door Openers & Controls
- Outdoor Fountains and Lights
- Built In Appliances
- Ceiling Fans
- Flush Mounted Speakers
- Shutters & Awnings
- Storage Sheds
- Timers
- Built In Barbeques
- Light Fixtures
- Draperies/Blinds
- Attached Fireplace Equipment
- Solar Systems
- Water Misting Systems
- Mailboxes
- Outdoor Fireplaces

If you wish to remove any of the above items, they **must** be removed prior to the listing appointment and/or any property showings. *Although the property will be offered “AS-IS”, the Buyer is entitled to perform inspections to determine their satisfaction with the conditions of the property. In compliance with the AAR As-Is Addendum, the property must be in the SAME condition on the date of close of escrow as it is on the date the offer is produced. Any changes to the condition of the property can seriously jeopardize the pending close of escrow.*

HOA

Your Homeowner’s Association has the ability to file legal action against you for delinquent HOA Dues and/or Fines. Several lenders will not authorize the payment of past HOA dues, penalties or fines. ***We strongly recommend that you keep your HOA dues current and abide by all rules and regulations of the HOA in order to avoid any penalties.***

Communication from Us

During the marketing period of the home you will hear from us at a minimum of once every two weeks. During this time we will discuss showings and pricing and make adjustments as necessary. Once an offer is submitted you will most likely not hear much from us until a BPO is ordered from the bank (usually 10-14 days) then again until the negotiator is assigned (usually 30 days). At this time we will start updating you of the progress about every 2 weeks. If you have any questions at any time feel free to call or email us.

Communication from You

If you receive any documentation in the mail from your bank(s) outside of a standard collection letter, please email or fax us this documentation as soon possible. Of specific interest to us is anything with a foreclosure sale date on it – especially if your home is in Pinal County (It is very difficult for us to research foreclosure sale dates in Pinal County).

Unless we instruct you to do so, we ask that you have **no contact** with your lender(s) throughout the Short Sale process – any contact from you to your lender(s) only complicates the process. If we do need you to contact someone at the bank, we will instruct you to do so and ask that you make this contact within 24 hours from the time we make the request.

Short Sale Approval

Once the offer has been approved by the lender(s), you will be notified through a document called the Agreement Notice that we can now proceed with closing on the transaction. Our standard Short Sale Addendum, included with every fully executed contract, states the close of escrow will take place **21** days from the date of lender(s) approval. ***If you are still living in the home at this time, you must be prepared to move out before the closing.***

Closing Process

After the issuance of the Agreement Notice, the title company will contact you to schedule a time to sign the official seller closing documents. Our title officer is able to sign you at Driggs Title. **Please bring your I.D., all keys, garage door openers,** and a good attitude with you to closing ☺

Your Future Financial Freedom

Keep all documents pertaining to this sale in a safe place. Please call us with your new forwarding address so we can keep in touch with you. Try not to incur any new debt and try to keep low balances on any credit cards you may have. Maintain good consumer credit by not paying late on your currently active accounts. Pay your rent by check or some other way that can be tracked to show evidence that you are paying on time. These things will assist you should you choose to purchase a new property in the near future.

We understand this decision may have been very difficult to come to. With that said, we would like to remind you that the whole purpose of this transaction is to position yourself and your family in a better place; a place with a healthier financial future and one which allows security and freedom.

I look forward to working with you toward a successful transaction!

Best Regards,

Jonathan Dalton
Thompson's Realty