

## **Short Sale Guide for the Buyer/Buyer Agent: Our goal is to sell the property and close the escrow as expediently as possible.**

**One** offer is worked to negotiated escrow. Sometimes the offer is fully executed by the seller and the buyer, sometimes not, depending on lender's guidelines and other various factor. Once an offer has been accepted by the seller, escrow will be opened, the property will use the verbage offer accepted pending lender approval. Only one offer can be in a fully negotiated back up position. Back-up offers are not submitted to the lien holders for review until the primary offer is denied. **We do NOT** send every offer to the lien holder for review, **however**, having multiple offers ready to be submitted if the primary offer is fails to meet guidelines or is rejected, makes it easier to submit backup offers because the mitigation process has already begun.

The most important component in short sales from your perspective is the management of the **buyer's expectations**.

The process is long. Times passes with no events. There is no consistent weekly milestone about which we might report. When we have news, you will updated. If heard anything, then there is no news.

We will work with any offer. We will submit ONE offer to the lien holders with a full default analysis. Buyers will complete inspections upon acceptance not lien holder(s) approval. If we take an offer into escrow, we will close that escrow unless the buyer pulls out. We will try to get you paid at 3% CBB.

Most lien holder(s) are not paying closing costs credit unless the loan letter specifically calls for a credit, i.e. FHA.

The seller will entertain any offer on terms that are most likely to be approved by the lien holder(s). Once an offer has been accepted by the seller, escrow will be opened, the property will use the verbage offer accepted pending lender approval and buyer will submit deposit with Escrow.

**If your buyer is in escrow elsewhere and wanting to increase his chances by entering more than one escrow, he is not our buyer.**

**For all offers, a Loan Approval letter must be attached to the offer.**

The loan letter must clearly state that buyer has been approved for the offering price and that loan officer has verified buyer's income, credit and assets. **Letter must clearly state the loan officer has verified that property address qualifies for loan program at issue.**

(Those seeking FHA condo eligibility information should go here or have the buyer's lender verify: FHA & VA Condo Look-up)

### **We like terms like these:**

- COE on or before 90 days. Buyer will have 30 days or sooner from approval, if needed, to close
- Deposit within 3 days of Acceptance. Please do not make deposit a contingency of Approval as we will not work those files.
- WPA. We will counter out termite. [We suggest that a buyer perform the termite inspection early. We are often able to get termite clearance covered].

- Buyer to pay all HOA related fees, if any. [Note that some condo properties might have HOA dues past due. Offers will have to be written to accommodate the buyer paying past due amounts. We can be creative. Just ask.]
- Buyer to pay home warranty, if any, of buyer's choice
- SSA: Attach SSA with a date 60 days from acceptance in Paragraph A.

**All offers must contain provisions similar to the following: (The best manner is usually an addendum to the RPA)**

- Buyer and Seller agree that this sale is a short sale. All terms, conditions, and commissions are subject to lien holder(s) approval. Acceptance occurs when Buyer and Seller have executed the offer and applicable counter offers. Approval occurs when all lien holders have issued written approval of the sale to escrow. [We have found that this helps Buyers and Sellers understand and invest in the transaction. And, this is consideration for the seller's going pending with the MLS status to preclude off over-bids.]
- This sale is as-is. Seller will pay for NO repairs. [Perhaps a lien holder will consider certain repairs, but all offers MUST initiate with this language and fundamental understanding by the buyer].
- Notwithstanding any other provisions in RPA or SSA, contingencies under Paragraph 14 will be removed within 14 days from acceptance. Loan Contingency in Paragraph 2 will be removed within 17 days after the day written approval was delivered to escrow. No loan contingency may carry through until closing. **[We are best able to negotiate with the lien holder about known defects early on in the process. An agreement to perform inspections early on signifies that a Buyer is both serious and invested in the transaction].**

**Buyer/Buyer Agent agrees to pay short sale processing fee:**

Signature of Buyer/Buyer Agent: \_\_\_\_\_

Sincerely,

AJ  
 AJ George & Associates, Inc.  
 Keller Williams Realty  
 DRE # - 01353648  
 4464 Admiralty Way  
 Marina Del Rey, CA 90292  
 310-862-1701 Office  
 310-513-7414 Fax  
 310-913-7913 Cell  
 www.ajgeorge.com

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