

## Short Sale Considerations

In any short sale there are frustrations for all parties involved because of the length of time in order to complete negotiations. Below you will find a list of notes and considerations that will provide you with a better understanding of the short sale process.

- A Short Sale generally takes no less than 90 days (3 months)
- Some Short Sale process can take up to 180 days dependent upon the lender i.e. Bank of America, Chase, etc.
- If the Short Sale Process involves two (2) loans (2 lenders), keep in mind that two (2) lenders will both have to agree to a Short Sale if both are not getting the full payoff amount. That takes extra time to get them both to agree to complete a Short Sale.
- The lender in many cases only is contracted to service the loan (Aurora Loan Servicing, Select Loan Servicing, etc.) and doesn't actually own the loan. They will transmit information to outside investors/owners of the loan or the mortgage insurance company to gain approval.
- Banks are bogged down with applications and as more applications are submitted the time periods for approval are extended.
- Generally, it takes as long as a week to get a Short Sale package "into the bank's system" and to be authorized to communicate with the bank on the Seller's behalf.
- Generally, it can take two (2) to three (3) weeks for the bank to upload the initial Short Sale Package into their electronic system for review and processing.
- Bank internal negotiators are generally assigned within thirty (30) days for initial review of the Short Sale Package presented to the bank.
- The Bank will generally conduct an independent Broker Price Opinion (BPO) of the property within four (4) weeks of the initial submission.
- Expect that the bank will give only 48 hours' notice of any action required, including additional documentation requests or actual negotiations.
- Expect that the bank will lose the entire Short Sale Package at least once during the time of our Short Sale process.
- Our office communicates to all parties once a week via email. We generally cannot provide individual phone calls to all parties as it will limit our time available to communicate with the bank.
- The information the seller provides must be complete and timely. If it is too old, lenders will call the data "old" and reject the package. Banks are anxious to close files and eliminate work for them and will use any excuse to do so.
- If you don't get an update that shows a lot of progress, do not despair. The process has to take its course.
- We have an extraordinary success rate in closing our Short Sales. Given all of the hassles and difficulties, you wonder how we close over 90% of the short sales that we receive.
- All parties are advised to seek independent consultation from their attorney, accountant, or other professional regarding this process as well.