

MORTGAGE SHORT SALE REQUIREMENTS

The seller(s) must submit the following information within a timely manner. These requirements are standard for most mortgage companies and lenders. It is imperative these documents be submitted with, or prior to, the short sale offer submission.

Time is of the essence. We urge you to complete the enclosed Borrower Financial Statement form and return it, **along with the following information:**

- 1. Hardship letter explaining the reason(s) for the delinquency.
- 2. Financial Statement
- 3. Copy of your last two-months pay check stubs
- 4. Copy of your bank statement covering all accounts for the last two months
- 5. Copy of your mortgage statement(s)
- 6. Copy of your last two years of tax returns with schedules and W-2's or 1099's
- 7. Proof of hardship, (divorce decree, recorded quit-claim deed, layoff letter, medical bills, etc).

Acceptable Hardship Reasons:

Unemployment

Divorce

Death in Family

Illness

Disability

Reduced Income

Bankruptcy

Loss of Rental Income

Other: _____

Without this information, we cannot help you. With it, we can begin working to find a solution.

In addition, the following forms must also be signed and submitted.

- 8. Authorization Form(s)
- 9. Hold Harmless Agreement
- 10. Short Equity Addendum to Purchase Agreement
- 11. MLS Listing Agreement/Commission for Real Estate Agent
- 12. Residential Purchase Agreement
- 13. HUD-1

AUTHORIZATION FORM

Date: _____

Property Address: _____

Loan #: _____ SSN: _____

I (We), _____ give my realtor(s),

Modesto Rodriguez

with CAPITAL EMPIRE REALTY AND FINANCIAL permission to discuss my mortgage and any information regarding my listing, including foreclosure and bankruptcy status, marketing, offers and closing expenses. Please work with my realtor(s) on the short sale of my property.

Thank you

SELLER DATE

SELLER DATE

AGENT DATE

AGENT DATE

909-240-5828 909-240-5828 909-503-0813
AGENT PHONE # CELL# FAX#

HOLD HARMLESS AGREEMENT

The undersigned parties agree to seek independent counsel pertaining to sale of their home in the matters of state and federal taxes and legal implications. The undersigned seller(s) shall contact the appropriate real estate attorney and / or certified public accountant to obtain qualified counsel relating to implications of selling the below mentioned real property:

Address: _____ City: _____ State: Ca.

IN SIGNING THIS RELEASE, I (we) ACKNOWLEDGE AND REPRESENT THAT I (we) have read the foregoing Waiver of Liability and Hold Harmless Agreement, understand it and sign it voluntarily as my own free act and deed; no oral representations, statements, or inducements, apart from the foregoing written agreement, have been made; I (we) am at least eighteen (18) years of age and fully competent; and I (we) execute the Release for full, adequate and complete consideration fully intending to be bound by same.

THIS IS A RELEASE READ BEFORE SIGNING

Seller

Seller

Date

Date

Agent

Agent

Date

Date

SHORT EQUITY ADDENDUM TO PURCHASE AGREEMENT

Buyers are aware that Seller(s) of said property have a short sale position. Seller(s) have applied for a short sale and agree to provide all necessary documents required by their mortgage company. This purchase agreement is subject to the approval of the short sale from Seller(s) mortgage company. Buyer(s) agree to allow up to 20 days business days for the short sale approval from the final acceptance date in the purchase agreement. In the event the mortgage company counters or declines the short sale application, the buyer(s) may cancel this purchase agreement and this contract will become null and void and earnest money shall be refunded to Buyer(s). Seller(s) shall have the right to continue to offer the home for sale until this contingency is removed. All other purchase agreements accepted will be subject to a cancellation of any previous written purchase agreement.

Seller

Buyer

Seller

Buyer

Date

Date

FINANCIAL STATEMENT

BORROWER INFORMATION

Account #:		Reason for Delinquency:	
Have you contacted a Customer Credit Counseling Agency:		No	
Borrower's Name (B-1):		Social Security Number:	
Co-borrower's Name (B-2):		Social Security Number:	
Property Address:			
Mailing Address:			
Home Phone No:		Other Phone No:	
B-1 Employer Name:		B-2 Employer Name:	
B-1 Work Address:		B-2 Work Address:	
B-1 Work Phone No:		B-2 Work Phone No:	
B-1 Job Description:		B-2 Job Description:	

BANKRUPTCY INFORMATION

Chapter Type:		Attorney's Name:	
Filing Date:		Phone No:	
Case #:		Active:	

ASSETS AND LIABILITIES

DESCRIPTION	ESTIMATED VALUE	AMOUNT OWED	NET VALUE
Primary Residence (Address):			
No. of dependents living on property: (_____) Is the property listed for sale: (_____) If yes, list agent name and contact number:			
Other Real Property (Address):			
Other Real Property (Address):			
Other Real Property (Address):			
Number of Automobiles Owned: ()			
Year/Make/Model:			
Year/Make/Model:			
Bank Accounts – Checking:			

Bank Accounts – Savings				
IRA/Keogh Accounts:				
401K Savings Plan:				
Stocks/Bonds/CD's:				
Boats: Make/Model:				
Cash Value of Life Insurance:				
Collections/Art/Coins, Etc:				
Computers:				
Other:				
Other:				
Other:				
Other:				
TOTAL:				

INCOME DATA

DESCRIPTION	INCOME B-1	INCOME B-2	TOTAL
Gross Salary/Wages:			
Overtime Pay:			
Commissions:			
Bonuses:			
Alimony/Child Support:			
Rental Property:			
Interest / Dividends/Savings Accounts:			
Life Insurance:			
Stocks/Bonds:			
“Less” Taxes: Federal Income Tax:			
Social Security:			
State Income Tax:			
Medicare:			
Other Deductions: (Specify)			
Other Income: (Specify)			
Other Income: (Specify)			
NET INCOME:			

MONTHLY EXPENSES

DESCRIPTION	MONTHLY PYMT	BALANCE DUE	# MONTHS DELINQUENT
Mortgage and or Land Contract:			

Other Mortgage(s):				
Other Mortgage(s):				
HOA Dues:				
Homeowner's Insurance:				
Property Taxes:				
Rent:				
Automobile Loan:				
Automobile Loan:				
Automobile Loan:				
Automobile Insurance:				
Credit Card:				
Credit Card:				
Credit Card:				
Credit Card:				
Installment Loan:				
Installment Loan:				
Installment Loan:				
Child Care:				
Alimony/Child Support:				
Garnishment/Levy:				
IRS Tax Payment:				
State Tax payment:				
School Tuition:				
Health Insurance:				
Life Insurance:				
Power:				
Gas:				
Water:				
Trash:				
Cable TV:				
Telephone:				
Cell Phone:				
Internet Access:				
Gasoline:				
Auto Maintenance:				
Parking Expenses:				

Union Dues:				
Dry Cleaning:				
Food/Groceries:				
Work or School Meals Purchased:				
Doctor/Dentist:				
Prescription Drugs:				
Hospital/Medical Expenses:				
Club/Sports/Hobbies:				
Entertainment				
Vacations:				
Other:				
Other:				
Other:				
Other:				
Other:				
Other:				
Other:				
Other:				
Totals:				

AUTHORIZATION AND ACKNOWLEDGEMENT

I/we have carefully read and submitted the foregoing information provided on all four pages of this statement to the Bank requesting the above financial statement. The information is presented as a true and accurate statement of my/our financial condition on the date indicated. This statement is provided for the purpose of obtaining and maintaining credit with said Bank. I/we agree that if any material change(s) occur(s) in my/our financial condition that I/we will immediately notify said Bank of said change(s) and unless said Bank is so notified it may continue to rely upon this financial statement and the representations made herein as a true and accurate statement of my/our financial condition.

I/we authorize the Bank to make whatever credit inquiries it deems necessary in connection with this financial statement. I/we authorize and instruct any person or consumer reporting agency to furnish to the Bank any information that it may have or obtain in response to such credit inquiries.

Applicant's Signature: _____	Date Signed: _____
Spouse's or Co-Applicant's Signature: _____	Date Signed: _____

HARDSHIP LETTER

Date:

Mortgage Company
Address
City/State/Zip

RE: Loan # / Property Address

Tell someone exactly what happened to cause your mortgage payment to fall behind. Then write it down making sure to identify the hardship and dates which coincides with the delinquency period.

Do not be too vague in your explanation, or too technical. Write with feeling and emotion. Let the mortgage company know how hard you have tried and you can no longer keep the payments current. If you are current on your payments, but the default is imminent – clarify why.

Remember, you want the mortgage company to forgive thousands of dollars, so spend some time on your hardship letter. The letter should be no longer than one page.

Be sure to request a short sale and provide contact information for your realtor. After receiving your financial package, the mortgage company will contact either you or your realtor regarding any missing items.

Sincerely,

Seller
Phone#
Address
City/State/Zip
Loan #

EXAMPLE

Date:

Mortgage Company

Address

City/State/Zip

RE: Hardship Letter/Short Sale for 123 Main Street, City, State 12345

I purchased the property at 123 Main Street in March 2006. At that time, I had just started my own antique resale business, which had great promise for generating profits capable of supporting my mortgage. Unfortunately, sales were slow, which I attribute to great declines in tourism after gas prices skyrocketed. I ran out of money and began working as a waiter to make ends meet. At the same time I was redoubling my efforts in my own business, by to know avail. After struggling for months to make my expensive mortgage payments, I had no choice but to put my house on the market. In August of 2006, I put my home up for sale by owner at an original listing price of \$210,000. The only people to look at the house ran when they saw the extensive damage to the pool and the severe water damage from a leaking roof that had long needed replacement. I lowered the price, but still had no takers. Over the next couple of months, I lowered the home prices three times, finally settling at \$170,000. This price was the lowest I could list the house at and still afford real estate agent commissions to be deducted, although it leaves me no profit. The home still has no offers. I am working with a Real Estate agent now, who is listing my house and promises to push it to get it sold quickly. I believe that using an actual agent will ensure that the home sells promptly.

I love my home, but I also understand that at this point, I cannot afford it. I am a single parent now working as a waiter to survive. My financial situation cannot sustain a home mortgage of nearly \$2,000 per month. I would like nothing more than to sell my home, avoid foreclosure and salvage my credit. This is my main concern. I know that a foreclosure on my record will affect me for years to come. I would ask that you please assist me in avoiding this.

Please accept this offer as payment in full. My attorney has advised me to file for bankruptcy, but I prefer to avoid further destruction of my credit. I just want to move and start over.

I deeply appreciate your help and understanding in this matter. If you have any questions, or need anything further from me, please contact me personally.

Kindest regards,

Homeowner name