

# SHORT SALE FLOWCHART

## Definition of a Short Sale:

A seller facing the threat of Foreclosure enters into an agreement with their Mortgage Lender/Lenders to accept a price for the property which is less than what is actually owed. The Seller makes no profit on a Short Sale.

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### Listing the Property:

The seller chooses a Realtor who is a Short Sale Specialist that will guide them thru the process and recommends meeting with Finance, Tax and legal Professionals. The expertise of these professionals is essential.

### Qualifying for a Short Sale Program:

In order for a homeowner to qualify for a short sale the following must be true:

- Homeowner does not necessarily need to be late on their payments
- Homeowner has little to no equity in their property
- Homeowner has legitimate hardship as defined by their bank
- Homeowner is at risk of imminent default (not necessarily delinquent)

### Defining a Hardship by Majority of Lenders:

- Temporary or permanent loss of Job
- Significant cut in pay
- Divorce
- Illness or death in family
- Increase in property taxes
- Increase in payment due to Interest resetting
- Relocation
- Natural Disaster

**Listing taken/Hardship Letter/Authorizations Obtained**

**Short Sale Package Requested From Lender**

**Initial Requirements From Lender**

**Offer Accepted—Negotiating Process with Lender Begins  
Bank has ability to counter**

**Final Requirements Sent to Seller's Lender with HUD**

**Upon Seller's Lender Approval - Settlement Amount Obtained  
Short Sale or Release of Lien Disclosed by Lender  
Fast track to close—Inspections done, all contingencies removed**

**Docs signed by all parties. Monies deposited by Buyers and/or Sellers.  
Escrow closes in compliance with instructions.  
Short Sale Lender (s) are paid the amount they approved in writing.**

**Another Successful Closing with First Centennial Title!**

APPROVAL

CLOSING



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