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SHORT SALE LOSS MITIGATION GROUP

SHORT SALE CONSIDERATIONS

In any short sale there are frustrations for all parties involved because of the seemingly long delays in order to complete negotiations. Below you will find a listing of points and considerations that will provide you a better understanding of the negotiation process:

- A "quick" short negotiation takes no less than three (3) months.
- A "typical" Countrywide (now Bank of America) short sale may take as long as five (5) months.
- If your transaction involves two (2) loans keep in mind that two different lenders will generally have to agree. That takes extra time to get them to agree to the same terms.
- The lender or bank is many times only contracted to service the loan and doesn't actually own the loan. They will transmit information to outsiders like the investor/owner of the loan or the mortgage insurance company.
- Banks are totally swamped with applications and as more applications arrive the time periods for processing are extended. We expect this to only get worse in the future.
- It generally takes us as long as a week to get "into the bank's system" and be authorized to communicate on the seller's behalf.
- It generally takes two (2) to three (3) weeks for the bank to up-load and assemble our initial package into their electronic system for processing. Everything is done in an electronic fashion and it takes time for them to incorporate our data into their system.

- Bank internal negotiators are generally provided thirty (30) days for initial review of the package we present to each bank.
- Expect that a type of independent appraisal by an outside real estate professional will probably be ordered by the bank. Expect that that whole process from start to finish usually takes about three (3) weeks.
- Expect that, notwithstanding that you wait forever for a response, the bank will give only about 48 hours notice of any action required including additional documentation requests or actual negotiations.
- Expect that the bank will lose the whole electronic package at least once during the time of our short sale negotiations.
- Our office communicates to all parties once a week by e-mail. We cannot provide individual phone calls or else we limit our time to be on the phone negotiating with the bank. It is best to communicate with us via e-mail.
- We are hired to obtain a release of lien of the Deed of Trust so that the property can sell. We do not negotiate a full release of liability as that's outside the scope of what we do. We can refer you to one of our attorneys on such matters which will be at an additional cost to the seller.
- The information that the seller provides must be complete and timely. If it is too old, lenders will call the data "stale" and reject our application.
- Banks are anxious to close files (and eliminate work for them) and will use every excuse to close a file if they have a chance.
- If you don't get an update for a while that shows a lot of progress, please don't despair. The process has to take its course.
- Our firm has an extraordinarily high rate of success in short sale files going to closing. Given all the hassles and difficulties, you wonder how we close over 90% of the short sale files we open. It's 95% grunt labor and 5% marvelous negotiations.

For Further Information call
(253) 284-3838