



(253) 284-3838

"B.P.O." – MOST IMPORTANT INGREDIENT TO A SUCCESSFUL SHORT SALE

"B.P.O." refers to an opinion of value provided by a real estate professional. It is not an appraisal as it is more limited in its scope and specific utilization.

It is also generally not as expensive for the lenders who pay for such services. However, it has a major impact on our short sale negotiations. Try as we might, we encourage the involvement of real estate professionals with the broker providing such services, but it doesn't always prove successful.

It is easier said than done. We, as negotiators, always attempt to be the point of contact for the broker providing the price opinion. We want to make certain that the broker has all of our information, including our writings and comps for our property as well as the ability to meet the listing agent at the property.

When the property is occupied, it is a bit easier. It becomes more difficult when the property is not occupied and a key box remains on the property as the broker generally is a member of the Multiple Listing Service and he or she can gain access without talking with anyone. This creates an opportunity for us to have no chance to communicate with the broker.

We encourage sellers who are occupying their sale property to only allow a lender valuation broker to visit the property when the listing agent is in attendance. That way, the agent can be certain to attend and give all the pricing comparables so that the broker knows all the facts. This can greatly assist everyone in getting the property value we need to complete our transaction.

Lenders give tremendous amount of weight to the market value provided by them by this broker. Why? He or she is deemed to be more independent than all others involved in our transaction. He or she is paid by the lender for their professional services.

Our short sale negotiations live or die depending upon the outcome of the B.P.O. Some lenders go so far as to require two (2) broker opinions before concluding a short sale. We need the agents' help to put our best foot forward in this critical part of our negotiations

If there is any one aspect of a short sale where we can make or break a deal, it is at the B.P.O. stage. The cards are stacked against us as the lender doesn't generally want to allow us free interaction with the B.P.O. provider. It is only through the help of sellers, our office, and the real estate professional that the B.P.O. will come in at the price of our offer.

3906 South 74<sup>th</sup> Street, Tacoma, WA 98409

Telephone 253-284-3838

Toll Free 1-800-236-4948

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