

A New Beginning

Empire West Short Sale Solutions Required Documentation



Key Reasons for Property Owners to do a Short Sale:

Minimize Damage to Credit
Foreclosure and bankruptcy are public records that cause fatal damage to credit scores (foreclosure up to 7 years, bankruptcy up to 10 years).

Maintain Control

Understand the exact terms of the settlement in a short sale. If your property is not a primary residence, this may be crucial as the anti-deficiency laws can change and when they do, they will be retroactive for 6 years.

Maintain Integrity

Eviction is an unpleasant experience where the borrower is forced to lose the house against his/her will.

EMPIRE WEST
TITLE AGENCY

**SAVE YOUR CREDIT
and
EXIT GRACEFULLY!**

EMPIRE WEST SHORT SALE SOLUTIONS

TITLE AGENCY

STEP 1 – Collect Short Sale Documents and Acquire the Listing

- Seller calls their Lender to initiate a HAFA Short Sale
- Realtor introduces the Short Sale Documents to the Seller
- Seller gathers and signs all necessary documents to process the short sale transaction
- Once the Seller has the Short Sale Documents complete, the Realtor is contacted

Listing Appointment

- With the Short Sale Documents complete, the Realtor sets the Listing Appointment
- At the Listing Appointment the Listing Agreement is signed and the Short Sale Documents are collected
- The Realtor immediately faxes the complete and executed Short Sale Documents to Empire West Short Sale Solutions at 602-749-7101

STEP 2 – Purchase Contract

- Realtor receives Seller accepted Purchase Contract w/ Addendums
- Realtor immediately sends the documents below to their assigned Escrow Officer at Empire West Title
 - a. Purchase contract with Addendums & Disclosures
 - b. Buyer LSR or POF
 - c. New Comps/MLS History

STEP 3 – HUD Preparation and Approval

- A HUD is created by the Escrow Officer and approved by the Realtor
- Realtor then submits the approved HUD to Empire West Short Sale Solutions

STEP 4 – Short Sale Solutions Follow Up and Monitoring Process

- Empire West Short Sale Solutions verifies the Short Sale Package is complete, submits the Package to the Lender, and verifies receipt
- The Lender is contacted every 48 to 72 hours until a BPO is ordered and a negotiator is assigned
- Empire West Short Sale Solutions will contact the Seller for any updated documents throughout the process
- Empire West Short Sale Solutions provides 24/7 online access to activity logs and status updates along with weekly emails to Realtors

STEP 5 – Negotiations / Approval Letter

Once an approval letter or counter offer is received the file is transferred back to the Realtor to negotiate the terms and conditions of the approvals. Once the approval is agreed upon, a closing date is set, usually within 30 to 45 days. During this time, Empire West Title processes the escrow to ensure a satisfactory closing.

SHORT SALE SOLUTIONS PROCESSING CHECKLIST

SELLER: _____ **ADDRESS:** _____

EMPIRE WEST FORMS

- Authorization to Release Information
- Disclosure and Consent
- Arms Length Affidavit
- Please Do Not Contact Me by Phone

SHORT SALE PROCESSING FORMS

- Hardship Letter
- Financial Statement
- Pay Stubs (Two Consecutive)
- Letter of Explanation (Unemployed, Etc.)
- Bank statements (Two Consecutive)
- W2's 2008 and 2009
- P & L Statement (If Self Employed)
- Federal Tax Returns 2008 and 2009
- Federal Tax Return Extension 2009 (If Applicable)
- Mortgage Statements (Most Recent, 1st and 2nd)
- HOA Statement
- Listing Agreement
- Purchase Contract W/ Addendums and Counters
- Buyer Pre-Approval or POF
- HUD
- MLS History
- Any Additional Lender Communication

Empire West Settlement Services
A division of

EMPIRE WEST
TITLE AGENCY

BANK AND FINANCIAL INSTITUTION AUTHORIZATION AND RELEASE FORM

I hereby authorize _____ of Empire West Settlement Services, any settlement staff member of Empire West Title Agency, and _____ of _____ to request, obtain and verify any and all mortgage information, including but not limited to, payoff, rearrange, and reinstatement amounts, as well as financial history. The information obtained is to be used for the purpose of facilitating the resolution of my pending foreclosure / short sale / delinquency on property located at: _____

Signature _____ SS#: _____ - _____ - _____

Name: _____ Date: _____

Home Phone: _____ Cell: _____

Fax Number: _____ Email: _____

Signature _____ SS#: _____ - _____ - _____

Name: _____ Date: _____

Home Phone: _____ Cell: _____

Fax Number: _____ Email: _____

Existing Loan — 1st:

Loan Number: _____

Lender: _____

Phone Numbers: _____

Existing Loan — 2nd:

Loan Number: _____

Lender: _____

Phone Numbers: _____

HOA Mgmt. Co.: _____ Phone: _____

2nd HOA Mgmt. Co: _____ Phone: _____

Other Liens / Judgment Information: _____

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TITLE AGENCY

FINANCIAL WORKSHEET

Borrower's Name:	Social Security Number:
Co-Borrower's Name:	Social Security Number:
Home Telephone Number:	Work Telephone Number:
Cell Number:	

Property Address

Street Address, City, State, Zip Code:
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I. Monthly Income Data

DESCRIPTIONS	INCOME BORROWER	INCOME CO-BORROWER	TOTAL
Gross Salary / Wages			
Commission / Bonuses			
Other (Identify)			
Total Net Income			

II. Assets

DESCRIPTIONS	ESTIMATED VALUE	DESCRIPTION	MONTHLY PAYMENT
Home		Mortgage	
Other Real Estate (Explain)		Other Mortgage / Rent	
Automobile		Automobile	
Automobile		Automobile	
Checking Account		Utilities (total)	
Savings Account		Alimony / Child Care	
Money Market		Insurance	
IRA / KEOGH Accounts		Student Loan(s)	
401K Accounts		Credit Card(s)	
Stocks / Bonds		Car Expenses (Gas, Repairs)	
		Entertainment	
		Pest Control	
		Dry Cleaning	
		Miscellaneous	
		TOTAL	

Please briefly explain your hardship or reason for being delinquent: _____

I/We certify that the financial information stated above is true, and is an accurate statement of my/our financial condition. I/We understand and acknowledge that any action taken by the lender of my/our mortgage loan on my/our behalf will be made in strict reliance on the financial information provided. My/Our signature(s) below grants the holder of our mortgage the authority to obtain a credit report to verify the information in this financial to be accurate.

By: _____ Date: _____ By: _____ Date: _____

DISCLOSURE AND CONSENT FOR SHORT SALE PROCESSING FORM

PROPERTY ADDRESS: _____

SELLERS: _____

1. I/We understand the meaning and purpose of a "short/sale" is my/our mortgage lender(s) will accept a lesser amount than is actually owed and provide a release of deed of trust in order to facilitate the sale of the referenced property. By selling the home prior to foreclosure, sale or the commencement of a foreclosure action, certain costs such as attorney's fees, court costs and other charges might be avoided. The report of a completed foreclosure on mu/our credit report(s) may also be avoided if the referenced property is sold prior to foreclosure.
2. I/We understand that the mortgage lender(s) may not agree to a short sale. I/We hereby hold Empire West Title Agency, LLC ("Empire West") and its subsidiaries and affiliates harmless from and not liable for any loss directly or indirectly incurred should I/we lose title to the property due to the foreclosure process.
3. In the event a short sale is finalized, I/we understand that Empire West cannot guarantee that the mortgage lender(s) involved will not enforce the terms of their promissory note(s) and seek legal action to collect the remaining indebtedness owed against me/us, or report debt that is forgiven to the Internal Revenue Service as income to me/us. I/We hereby hold Empire West and its subsidiaries and affiliates harmless from and not liable for my loss directly or indirectly incurred in connection with my remaining indebtedness owed to the mortgage lender(s).
4. Before a short sale package can be processed with my/our foreclosing lender, I/we will be required to provide several items as outlined in a list provided by me/us by my realtor and/or Empire West. I/We understand that the mortgage company may required information in addition to those items listed once the short sale request is made. I/We understand that my/our cooperation is vital to this process and will provide these items as soon as requested. I/We understand that Empire West will be unable to proceed until such items are provided.
5. I/We understand that unless I/we pay my/our mortgage balance in full at the time of closing, no proceeds will be paid to me/us from the sale of my/our home. All proceeds will be paid to closing costs as approved by the short sale lender(s) and any funds remaining are paid to the short sale lender(s). I/We further understand that I/we will not receive any refunds from the escrow account held by my/our lender, previous taxes paid or prorated homeowner's insurance refunds. All refunds will instead y paid to the short sale lender(s) and applied to any indebtedness still owed relating to the promissory note(s) and deed (s) of trust I/we had signed on the referenced property.
6. I/We understand that once foreclosure proceedings are commenced, I/we have rights to cure the deficiencies as defined in Arizona law. I/We understand that I/we are advised to immediately consult an attorney to advise me/us of my/our rights and liabilities as defined in Arizona law.
7. Empire West and its subsidiaries and affiliates have made no promise, guaranty or warranty, oral, written or implied, as to the success of any short sale or short sale approval from my/our mortgage/lien holders.
8. Empire West may engage an affiliated or non-affiliated third party to assist it with the short sale process.

Signature

Date

Signature

Date

SELLER'S COMMITMENT

Property Address: _____

Thank you for the opportunity to work with you, I look forward to a smooth and what will hopefully be a successful short sale transaction.

In today's market it is crucial that a home for sale shows at its greatest potential throughout the entire listing timeframe. Short sales take longer than bank owned and regular Seller responses. There has to be a real desire for a Buyer to want to purchase a short sale property and wait for an answer. We need the home clean and presentable at all times.

Although we will be selling your property in its current state, it is important to outline those responsibilities that you still do carry as the Seller. More specifically as outlined in the contracts you will be signing:

Exclusive Right to Sell Listing Contract, Item 14: Utilities. During the term of this Listing, Owner shall maintain continuous service to the Premises of all utilities which are currently connected to the property.

Exclusive Right to Sell Listing Contract, Item 29: Additional Terms. Seller to take care of all requested maintenance, upkeep or repair items within 48 hours of notice.

As Is Addendum to Purchase Contract, Section A: Seller warrants and shall maintain and repair the Premises so that, pursuant to lines 167-168; (iii) the Premises including all additional existing personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance; and (iv) all personal property not included in the sale and all debris will be removed from the Premises), at the earlier of possession or COE, the Premises, including all additional existing personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance and all personal property not included in the sale and all debris will be removed from the Premises.

If you are unable to keep all the utilities on during the time of your listing, make sure you speak with me prior to us putting the property on the market. Even if this is the case, you will need to make arrangements and pay for all the utilities to be in service for the Buyer to complete their inspections once we receive a contract. Make sure you plan for this by putting some money aside now.

Landscape maintenance is a must. Only the maintained and clean homes are selling from the short sale inventory. Even the banks are sprucing up their listings with new paint, carpet and a landscaper. We have a lot of competition; let's make sure we both set the right expectations from the start. I will keep you posted if the landscaping needs attention if you do not occupy the property. I expect arrangements to be made within 48 hours of notice.

Homeowners Association – Please note that the HOA's do not have to follow the same laws that govern mortgage companies, they can and will in fact file judgments against the Seller for the amount due plus penalties, fines and liens (it could be in the thousands). In the event there is not enough money to pay these off through the sale of your property, you will be asked to bring this money to closing. The best way to avoid these costs is to stay current with the HOA, a minimal expense compared to the opposition.

Please sign on the line below to acknowledge that you have received this document and agree to the maintenance and upkeep of the property for the duration of the sale. In addition, you will make sure that all the utilities will be on for the Buyer to complete their inspections, if not for the entire period of the listing agreement.

I thank you again for your business; I look forward to working with you.

Seller/Property Owner

Date

Seller/Property Owner

Date

AFFIDAVIT OF "ARM'S LENGTH TRANSACTION"

All Parties to the contract on the premises: _____

Property address: _____

Hereby affirm that this is an "Arm's Length Transaction"

No party to this contract is a family member, business associate, or share a business interest with the mortgagee. Further, there are no hidden terms or special understandings between the seller or buyer or their agents or Mortgagee.

The Buyers and Sellers nor their Agents have any agreements written or implied that will allow the Seller to remain in the property as renters or regain ownership of said property at any time after the execution of this short sale transaction. None of the parties shall receive any proceeds from this transaction except the sales commission.

(Seller) Date

(Seller) Date

Print Name

Print Name

(Seller's Agent) Date

(Buyer's Agent) Date

Print Name and Company

(Buyer) Date

(Buyer) Date

Print Name and Title Co. Name

Print Name and Title Co. Name

PLEASE DO NOT CONTACT ME BY PHONE FORM

First Loan # _____ Second Loan # _____

First Lender _____ Second Lender _____

Property Address _____

According to the Fair Lending Law, I have the right to request that you, my lender, not contact me by phone regarding my loan being in default. I do not wish to speak to any collection agents about this account. Please make any future communication with me in writing, or if you must speak to someone regarding this account, please contact _____ of Empire West Settlement Services, any settlement staff member of Empire West Title Agency, and / or _____ of _____ who is assisting me in this transaction. The information obtained by Empire West Settlement Services or Empire West Title Agency is to be used for the purpose of facilitating the resolution of my foreclosure through a short sale.

Borrower: _____ Date: _____

Printed Name: _____ SSN: _____ Date of Birth _____

Signature: _____ Date: _____

Borrower _____ Date: _____

Printed Name: _____ SSN: _____ Date of Birth _____

Signature: _____ Date: _____

EXAMPLE OF HARDSHIP LETTER

Joe Smith
Street Address
City, State, Zip

Subject Property Address:
Street Address
City, State, Zip

Loan Number(s) xxxxxxxxxxxxxxxx and xxxxxxxxxxxxxxxx

To Whom It May Concern:

My name is Joe Smith and I am 39 years old. I am happily married to Mary Smith and we just celebrated our 18th wedding anniversary. We also have 4 beautiful children, Austin, 14, Connor 12, Whitney 10, and Tiffany 3.

The last year has been one of my toughest ever. In February I lost my father to cancer and I am still missing him every day. I am also responsible for helping my mom financially to survive after the loss of dad.

Financially this past year has been a complete disaster. My mortgage loan business is down over 70%!! After years of increase, I never imagined my income would go down so dramatically.

We tried to plan for tough times by having over 12 months of reserves!! Most people have 3 months of reserves.

In April, after “carrying” all of our debt and using up all my savings (including my IRA), I had to stop making payments. As a result, my credit is now destroyed and I have multiple late payments on my credit cards, house payments and car loans. We even allowed one of our cars to be repossessed.

As a result of the catastrophic year, I am now in survival mode. It is my intention to list the subject home as a “short sale” which will result in a request for a short payoff.

Thank you for your consideration.

All my best,

Joe Smith