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Short Sales

1. How do you determine?
 - a. Listing sheet/info- how close is it to break even?
 - b. Ask seller
 - c. Signs of financial stress?
 - d. Liens?
 - e. Bankruptcy/foreclosure
 - i. Short sale can be different from bankruptcy/ foreclosure situation
 - ii. Once foreclosure started – need to deal with foreclosure lawyer before the workout department at lender
 - iii. Strict time frames in foreclosures
 - iv. If in bankruptcy, subject to Court order in most situations
2. What can you do?
 - a. Some work can be done in advance, but until contract signed...
 - b. Seller must become personally involved
 - c. If it doesn't get approved early, and now you are at closing, who is the seller going to look to for the difference? (the broker 9 times out of 10).
 - d. Most lenders will not talk to 3rd parties
 - e. Communicate with Lender!
3. Process
 - a. Lender may want all or some of this information to approve:
 - i. Contract
 - ii. Appraisal
 - iii. Preliminary HUD
 - iv. Seller financials
 - b. Need good relationship with title company
 - i. Prepare prelim HUD
 - ii. Title done early to detect liens/2nd mortgages
 - iii. Call on taxes/water-sewer
 - c. Time – may not be a quick process, so the earlier you get going the better.
 - i. 45 day contract?