



Local • National • International

# Castle Dream Real Estate, LLC.

*Capture The Dream...*

OFFICE 1-352-848-0663  
FAX 1-352-799-0691  
1-888-51-DREAM  
(37326)  
15449 Burbank Drive  
Brooksville, FL 34604

[www.castledreamrealestate.com](http://www.castledreamrealestate.com)

REQUIRED	RECEIVED	ITEM
X		Signed Authorization to Release Information
X		Recent Mortgage Statement
		Lis Pen dens/NOD filing
		#_____County_____
X		Recent Mortgage Company Correspondence
		Name/Contact for HOA (Homeowners Assoc.)
		Restrictions on HOA?
		Current Title Insurance Policy
X		Warranty Deed (Copy)
X		Current Tax Bill
		Divorcee Decree (if applicable)
		Bankruptcy Documents (if applicable)
X		Signed and Dated Borrower Financial Information
X		3 Months of Bank Statement
X		1 Month of Pay Stubs
X		2 years of 1040's (w/schedules and W-2's)
X		Signed and Dated Hardship Letter
X		List of ALL Monthly Expenses
X		Driver's License(s) Copies
X		Signed Listing Agreement
X		Executed Purchase Contract
		Homeowners Insurance Declarations Page
X		Photos
X		Repair Estimates (if applicable)
X		Community Description/Analysis of Current
		Market Conditions
X		CMA ( Comparative Market Analysis) or
		REO Appraisal (Suggested)



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## What Should the Seller Know.....

Your real estate professional should receive the "**Short Sale Package**" fairly quickly from your lender(s) as it may be faxed or emailed.

Your real estate professional will be the liaison between the lender, the seller and potential buyer and buyer's agent.

Specific "**SHORT SALE**" comments will be posted in the Multiple Listing Service.

Your real estate professional will research the county property appraiser, tax records, official records for outstanding mortgages and statues. Your real estate professional will also have a local title company complete a preliminary HUD for the lender(s). *Pitfalls would be multiple mortgages, judgments against the seller, etc. that would not make the property suitable for a Short Sale.*

If you have multiple mortgages with the **same lender**, your real estate professional will have greater chance of completing the **SHORT SALE**. If there are separate multiple lenders, it can create additional problems for the sellers.

It is important to let your real estate professional know your exact financial situation. Know how many payments you are in arrears, number of mortgages and have or could they do a Deed in Lieu of Foreclosure.

Allow your real estate professional to guide you with the pricing. Review the market carefully for a competitive list price - ***DON'T BE under listed OR over listed***. Your real estate professional will keep the bank informed and should also provide the lender with bank with recent sales comps and a Broker Price Opinion (BPO).

Depending on how complex your finances are, you may wish to consult with your **CPA** or attorney in order to make the correct decision.

You should make the home appear as well kept as possible.

The paperwork process for getting out of a mortgage is almost the same as getting a mortgage.

You may be required to do a proof of assets & liabilities, a detailed monthly budget of living expenses and the **Hardship Letter** see below.

The term on which a homeowner is responsible for the "deficiency in funds from the mortgage" varies. Therefore, it is critical that you sign all the **Short Sale** Disclosures for your protection.

The seller may only sign one contract in primary position. As the offers begin to come in, the offers must be structured as back-up offers. Your real estate professional will forward any subsequent offers for the lender to review.



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**PLEASE NOTE NOT EVERY LENDER WILL ACCEPT A SHORT SALE**

**NOW YOU HAVE AN OFFER WHAT IS NEXT**

**Your Real Estate Professional should follow this process:**

The "SHORT SALE Package" to the bank needs to be well thought-out and very organized. It is important to "tell the story" of why it benefits the lender to accept the offer.

*Each lender's short sales package can vary, but some documents will always be required...*

1. Contract for Purchase signed by the Seller
2. Short Sale Addendum
3. Any addendums necessary for the contract (FHA/VA, etc.)
4. Preliminary HUD-1 based on the Contract
5. Copy of the Listing Agreement
6. A new Brokers Price Opinion (BPO)
7. All the financial documentation on the Buyer, pre-approval w/ verified assets
8. Hardship letter from Seller
9. Any utility information on the property
10. A letter to the bank explaining the transaction.

Overnight the package to the bank. Some banks use the Loss Mitigation Department, Pre-foreclosure Department, Assets Department and a **few other names including "Short Sale Department."**

Call the bank representative assigned to your file to alert them it is coming and ask when they would like you to follow-up with them. **Not all lenders are easy to work with.**

Usually at this point the lender will order a new BPO from an outside real estate office - the wait is usually 7 - 10 days for a response.

**You will either get an acceptance, counter offer or rejection.** If you sent multiple offers, the bank may want you to reject the signed contract and move on to one of the other offers.

If you get acceptance the bank will normally allow you up to 30 days for the buyer to get their mortgage and close. **Sometime this is a bit short - so buyer is ready.**

If your offer is countered, the lender will allow you a certain number of days to get the counter offer resubmitted or accepted. The counter is done verbally by the lender. If the original offer is not accepted and the buyer does not accept the counter offer - use the Contract Cancellation Form and move on to the other offers.



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## **Hardship Letter Instructions**

1. Tell your "**STORY**" of hardship to the Lender in a personal way!
2. The longer and more heartfelt, the better.
3. Handwritten (if your handwriting is legible, otherwise typed)
4. Don't worry about punctuation, grammar or spelling
5. Use first names (less formal)
6. Address your letter to "To Whom it May Concern"
7. In the top right hand corner, date your letter
8. The following questions may help you in writing your hardship letter.

### **What has caused you to fall behind in your mortgage payments?**

Job Loss  
Medical problems  
Divorce  
Depression (or other mental health issues)  
Abuse  
Accident (auto, job, other)  
Loss of loved one  
Crime  
Lawsuits  
Substance Abuse (you, spouse, siblings, parents)  
Incarceration  
Collection Problems  
Addictions (drug, alcohol, gambling, etc.)  
Other

### **When did your hardship begin?**

### **How long has your hardship been going on?**

### **What other bills (financial obligations) are you behind on?**

*(Please provide proof)*

Utility Bills  
Car Notes  
Furniture Loans  
Credit Cards  
Insurance  
Personal Loans



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Other Mortgages (1st, 2nd, 3rd, Home Equity)  
Telephone  
Cell Phone, etc.

**How have you tried to overcome these problems?**

Get a better job  
Get a second job  
Work Nights and Weekends  
Sell your property  
Sell your other assets (if any)

**Have you depleted all of your other financial resources?**

(If you have the financial ability to solve this problem, the Lender will not accept a loss!)

Savings  
Checking  
Stocks  
Bonds  
Retirement Account (IRA's, 401K's, KEOUGH, etc.)  
Equity  
Credit  
Relative's Help

**What types of problems have you been experiencing with the property?**

Hot Water heater  
Roof leaks/replacement  
Faulty Workmanship  
Environmental Hazards (mold, lead based paints, etc.)  
Foundation Problems  
Rotten Wood  
Termites  
Bad Smells (cats, dogs, sewage, etc.)  
Plumbing Problems  
Electrical Problems  
Flooding



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**Are you experiencing any problems with your neighbors?**

Crime  
Illegal Drug Activity  
Threats of Violence  
Trespassing  
Other

**Are you experiencing any problems with your neighborhood?**

Excessive or Speeding Traffic  
Lack of Police Protection  
Lack of City Services  
Deterioration of Property  
Bad Schools  
Poor Resale Value  
Undesirable Area

**Remind the Lender if your Attorney has advised you to seek protection in Bankruptcy**

If possible, you really want to keep Bankruptcy & Foreclosure off your record.

**Be sure to tell the Lender about the local market conditions**

Too many homes for buyers to choose from, etc.

**Ask the Lender for their help and understanding in resolving this problem?**

*(You may want to thank them in advance for doing so.)*

*Ask the Lender to accept this offer as "payment in full" and not to seek a "deficiency judgment" so you can put this all behind you and start over with your life.*

**Sign and Date Your Hardship Letter**

**Remember:** This is your story. Don't worry about punctuation, grammar or spelling. Just tell your story in your own words from your heart. It's OK to be informal and emotional. In fact, you should. Make it personal. Take as much space as necessary. Be sure to tell the truth. Express all emotion and explain your story but, don't make up a story. It is not uncommon for a loss mitigator to ask for additional verification information on items in a hardship letter. Be prepared to provide any and all supporting documentation in a timely manner.