

SHORT SALES MADE EASY

Trish Nash

Las Vegas, Nevada

Corporate Broker

Office: 702-617-8680

Email: trish@exitlv.com

***If you think you can do a thing or think you can't do a thing, you're right.
Henry Ford***



What is a short sale?

A short sale is when the value of a property is **LESS THAN** the outstanding mortgage

If the market value is less than the total amount owed, a short sale allows the borrower to sell the home and use the proceeds to pay off the mortgage and the lienholder will “forgive” the difference.



Typical Short Sale Scenario

- \$625,000 = Purchase
Price in 2006
- \$235,000 = Appraised Value in 2009
- \$390,000 Amount lien holder will forgive
borrower in the short sale process



Mortgage Forgiveness Debt Relief Act of 2007

- Taxpayers may exclude debt forgiven on their PRINCIPAL residence if the balance of their loan was \$2 million or less .
- Legislation passed in October 2008 extended this relief through 2012
- Refer borrower to their CPA and attorney
- Investment property EXCLUDED except in a case of insolvency (Form 982)
- Borrower will receive a 1099-C for amount of reduced or eliminated debt
- www.irs.gov



Why short sales????

- Double your production in the next 12 months
- A service that most REALTORS® will not or can not provide
- Be a short sale expert in your community
- Huge referral potential (CPA, Attorney, church, Chamber of Commerce, other REALTORS®)
- Sign calls – EXIT E-listings!!!



Where do you start??

- Talk to your broker. Can they help you set up a business plan incorporating short sales?
- Study, read and take short sale classes.
- Meet with an attorney and CPA
- Start promoting yourself to your SOI as someone knowledgeable in short sales
- Your phone will start ringing.....

I promise!!!



Be Selective in Who You Represent

- Will the seller cooperate with you?
- Have borrowers attempted a loan modification?
- Do they have a valid hardship?
- Is the home vacant? Utilities, insurance, taxes, HOA fees
- Will the tenant cooperate?
- Is the home in marketable condition?
- Would they like to stay in the home as a tenant if you could find an investor to purchase the home?



Other Important Questions

- Who is the lender?
- How many lenders?
- Has the borrower started/completed the short sale packet?
- Have they missed any payments yet?
- Has a Notice of Default been issued yet?
- If the short sale is not approved are they prepared for a foreclosure?
- Only 9% of short sales in Las Vegas get approved!!



Typical Short Sale Packet

- Authorization Letter (You, your assistant and escrow officer)
- Hardship Letter
- Financial Statement (assets & liabilities)
- Federal income taxes for past two years
- Bank statements for past three months
- Paycheck stubs (three most recent)
- Listing agreement
- HUD1 with all closing costs
- Any other supporting documentation (disability, unemployment, social security)



Important Factors to Success

- Regular communication with the sellers and the buyer's agent
- Interview potential buyer's agent to ensure they understand the short sale process
- Call the lender at least twice a week for updates
- Keep a written record of all conversations with all parties
- Account numbers must be on ALL correspondence with the bank. (Clear Avery labels)
- Call banks in the mornings. Be courteous



A Gold Mine for Finding Buyers!!

- The more signs out there with your name—the more buyers you can work with!!
- Use EXIT E-Listings on ALL of your signs!
- Set up a team of buyer's agents. Get a referral fee.
- Great tool for recruiting.
- Realtor.com leads will come in as well.



Important Attributes of a Short Sale Listing Agent

- Compassionate – listen to their hardship
- Technical vs Emotional
- Problem Solver
- Attention to Detail
- Communication is key with all parties
- Patience
- Long Term Planner
- Continually seeking knowledge on short sales and legislative updates
- You are the expert in the eyes of your clients!



Double your Production in 2010



- Set up a business plan and follow it
- Short sales are here for several years
- Great recruiting tool for buyer's agents
- Sign up for EXIT E-Listings



Trish Nash

Las Vegas, Nevada

trish@exitlv.com

702-617-8680

