



Date: _____

Authorization For Release Of Information Request

_____ hereby mutually give full consent to
Name(s) _____ and _____ to
1st Mortgage Company _____ 2nd Mortgage Company (if applicable) _____

release any and all pertinent information regarding the account(s) (number(s) stated below) to Patti Schmidt and Kari Sobeck, Real Estate Professionals with Coldwell Banker Burnet.

Furthermore, _____ request any and all information
Name(s) _____
regarding the short sale process and any documentation necessary to move forward with said process and ask that 1st Mortgage Company and 2nd Mortgage Company (if applicable) share said pertinent information regarding the Short Sale process with both Patti Schmidt and Kari Sobeck.

Name of Account Holder Print

Name of Account Holder Print

Signature of Account Holder Date

Signature of Account Holder Date

Last 4 of Social ____ _

Last 4 of Social ____ _

1st Mortgage Company Name

2nd Mortgage Company (If Applicable) Name

Account #

Account #

Phone #

Phone #

FAX #

FAX #



ABOUT SHORT SALES

A "short sale" process can happen when a home owner owes more on the property than what the current market dictates the actual value of the property to be.

Example: A home owner owes \$200,000 dollars on their property, but the market dictates a price of \$150,000 to be the current fair market value for the property. This creates a \$50,000 short sale situation, where the lender(s) involved with financing the property would agree to take a payoff of less than what is owed.

You can be current on your mortgage payments and still administer a short sale. For example, if you're current on your payments today, but happen to know that in 2 months you will no longer be in a position to continue making payments on the home, you can act proactively and list your home for sale before you fall behind. Doing so may not only help avoid costly attorney fees, but will allow more time to complete the short sale process. Once you've fallen three to five months behind on payments, your home will go to "Sheriff Sale". This "sale" will be published prior to the event, and you will be formally made aware of the sale. It is at the Sheriff's Sale, that investors or prospective buyers will be given the opportunity to purchase your home. Ordinarily, if you only have a mortgage with one bank, that bank will purchase the property at the sale. If you hold two mortgages with two different banks, the first bank is the one that will commonly purchase the property. Seldom does an outside investor acquire the property.

From the date of the Sheriff Sale, you are then given a Six Month Redemption Period of which you have to come current on your mortgage(s) and redeem the property. If you cannot do so, or sell the home within the six months, then the home goes to whomever purchase it at the Sheriff Sale.

You are legally entitled to remain in the home throughout this entire process. However, if it is your intention to redeem the property before the expiration of the six month redemption, and you do so unsuccessfully, you will be lawfully removed from the property at that time.

You do have the right to sell the home during the six month redemption period.

WHAT CAN YOU EXPECT FROM US

We'll work diligently and confidentially toward selling your home for the absolute highest dollar amount in the quickest time possible, all while working directly with your bank(s). We'll facilitate the entire listing process from coordinating showings and providing feedback, to negotiating any and all offers presented for your home directly with the bank. Simply put, there is not one aspect of the "short sale" process that we don't handle for you.

It is our #1 goal to sell your home for you before it is lost to foreclosure. In most cases, doing so will mean a difference on your credit score by more than 300 points!

WHAT IS EXPECTED OF YOU

We ask that you promptly provide us with the necessary information (see below) that we will need to effectively communicate with your lender(s). We ask that you help make sure that the property appeals to prospective buyers by keeping it in "show" condition at all times. And finally, we ask that you please feel comfortable to ask as many questions as you need to.

Items You Will Need To Provide

- Account information for your lender(s) (include bank names, account #'s and phone numbers)
- Authorization letter (attached) giving Patti Schmidt and Walter Altenbach of Coldwell Banker Burnet permission to speak to your banks on your behalf
- Hardship letter (explain in detail how you've come to be in the situation that you're currently in that has disabled you from being able to continue to make payments on your home)
- Financial statements (monthly income vs. monthly expenses... be as detailed as possible)
- 2 most recent pay stubs
- Most recent bank statement
- Past two years tax returns
- Deficiency Clause signed (attached; If accepted by your bank(s), this letter will remove your obligation to re-pay any deficiency balance that may be owed)



Foreclosure or Short Sale? What is the Impact on Credit Report

What is better, what is worse? How do these impact one's credit?

Should you approach your lender and discuss options if in trouble? Absolutely! Our recommendation is to be proactive, do not place your head in the sand. If you foresee challenges, call the lender and discuss what options that they may offer. Make sure that you understand each option and request those options in writing. If necessary, have a trusted source review these options with you.

When it comes down to the impact of a foreclosure or a short sale on one's credit report, let's face it both are going to be bad. For the foreclosure proceedings to begin, lenders will normally begin at 120 days late, and many lenders will be filing the Notice of Foreclosure at 90 days late. These late payments are negatively going to decrease the credit scores. And of course, future mortgage loan applications are going to be negatively impacted.

As for short sales, these are negotiations with the lender to take a discount from what the borrower owes them. Most lenders will not talk about these options unless the borrower is 60 days or more late in their mortgage payments. If you are anticipating that you will be challenged to make your mortgage payments - what are you to do? We continually hear that lenders tell the borrower to call back when they are 60 days late ~~ yes, this is what this sounds like, the lenders loss mitigation departments will not get involved until this 60+ day late status has occurred because they still have belief in the borrower to repay. Most of the lenders are overwhelmed with already delinquent borrowers.

The bottom line on all of these circumstances is this... Document every conversation, if noteworthy, get it in writing.

Although you may not be thinking clearly during these financial stressing times, you should be thinking about your future credit and the impact of these transactions. Make sure the negotiations in all cases include in writing how the lender will report the "duress times" on the borrower's future credit reports. Basically do all possible to get the lender to put in writing in any negotiated agreement how they will report to the credit reporting agencies this mortgage account. The goal is for this account to be either neutral (no negative) or be reported with the least negative possible. If you or your agent does not ask for this, the lender obviously will not offer it.

Deficiency Clause Addendum

Addendum to the purchase agreement dated _____ for the property at:

_____;

The purchase price for the above stated property hereby satisfies any and all deficiency balance due as a result of a short sale.

Seller (print)

Seller (print)

Seller (signature) Date

Seller (signature) Date

Name of first bank

Name of second bank
(If Applicable)

First Bank (signature) Date

Second Bank (signature) Date
(If Applicable)