

Important Short Sale Tips for Buyer Agents

1. Counsel your Buyer about the short sale process before you begin your showing tours. Make sure they have the patience and the time to endure a 60-120 approval process.
2. Discuss the pitfalls in making multiple undisclosed offers on different short sale properties, when the Buyer only has the sufficient funds to close on one house. Not only does this unnecessarily clog the pipeline of contracts in front of the Seller's Lender, it puts multiple Sellers at risk of losing their home to foreclosure if you choose another property in the process. The consequences are too grave.
3. Select a mortgage broker who can deliver a DU (Desktop Underwriting) findings to the Seller's Lender along with the Buyer disclosing that should the Seller's Lender so request, they will provide proof of reserves to the Seller's Lender.
4. If your Buyer is paying cash, provide some type of written verification from a financial institution, that the Buyer has the sufficient unencumbered funds to close the transaction.
5. Be prepared to close the transaction within less than 30 days from Seller & Seller Lender's agreement. Therefore, your Buyer needs to complete their loan application with their lender during the time you are looking for properties, preferably before you even begin, so there are no delays.
6. Offer your expertise to the Seller's Broker if they should need anyone to help navigate any difficult road blocks.
7. Make sure you always utilize a Buyer Broker Agreement. This agreement is valuable to handle a reimbursement to the REALTORS®, for the REALTOR® contribution to the second lender.
8. Share a "Welcome to your Short Sale Transaction Report" with tips for the Buyer to manage the expectations of the Buyer during the process.
9. Give the Seller's Broker some breathing room during the "waiting period". If you haven't heard from them, email them every 10-14 days. Don't forget to reinforce your support of their efforts and the confidence in their abilities, while still offering some assistance if needed.
10. If the Seller's Broker is contracting a third party negotiator, try to interview them carefully. Ask them about their success ratios, the final cost of services, and who is responsible for paying their fee. Do not assume that the seller's lender will automatically pay the fee.
11. Should you represent an LLC purchasing a short sale, all members of the LLC must be named in the contract.

