

Short Sale Disclosure & Agent Guidelines

IMPORTANT: This signed document must be returned with the offer.

What is a short sale? A short sale refers to the sale of real property for an amount less than the amount owed on the property.

KEEP IN MIND THE FOLLOWING WHEN MAKING AN OFFER:

1. **CLOSING DATE:** **Short Sales usually take 60-90 days to get approval.** They can take longer, and the final closing date is contingent upon the short sale lender. **If the buyer must be in the home SOONER than this time frame, OR cannot tolerate delays beyond 90 days, they SHOULD NOT make an offer.** This time frame is dependent on where the file is in the short sale process.
2. **SPECIAL PROVISIONS:** All offers **MUST** include the following contingencies:
 - **“Property is being sold AS-IS”.** (Due to severe loss being taken by lender, repairs cannot be made by seller or the lender). Please use an AS-IS contract or addendum.
 - **“The contract of sale is conditional upon final approval of Seller’s lender and/or HUD.”** Please use Short Sale Addendum.
 - **“Inspection Period: Buyer will be granted a 10-day inspection period.”** The inspection period will commence once the Buyer’s Agent receives written notification from the Listing Agent that the Short Sale file is approved by the seller’s lender. During the inspection period, Buyer may terminate the contract for any reason and any earnest monies will be released back to the Buyer.”
 - **Contract to be written in the name of an Individual or LLC only.** Most Lenders will not allow a buyer to be a Trust or a Corporation.
3. **CLOSING COST:** Short Sale lender will pay typical and customary closing costs such as title policy, agent commissions, etc. **If Buyer is in need of closing cost assistance, Lender will typically only approve up to 3% of the purchase price for Seller concessions.**
4. **HOME WARRANTY:** The lender will not pay for a home warranty on behalf of the buyer.
5. **PRE-APPROVAL LETTER:** The offer must include a pre-approval letter from the buyer’s lender if 3rd party financing is being accomplished. If the offer is a CASH offer, the lender will require a document that shows proof that funds are available.
6. **PROPERTY UTILITIES:** In many cases the property is being sold at a reduced price and the seller is in a hardship situation and cannot afford to have utilities turned on. Once the file is approved, our standard procedure is to ask the **Buyer(s)** to turn on the utilities in their name if they wish to do an inspection.

7. **HOA FEES:** If applicable, Lenders will typically only pay up to 6 months delinquent HOA dues, Buyer may be asked to contribute to these past due amount if they cannot be negotiated down, in order to get a lien release.
8. **TIR, TREATMENT, CONDO DOCS, HOA DOCS, SUBDIVISION DOC FEES:** We will request that these costs be deducted from the purchase price, but there is no guarantee that the Seller's Lender will approve these deductions. If we are unable to get the lender to approve these closing costs, the Buyer should be prepared to order and pay for these closing costs.
9. **COMPLETE OFFERS** - Seller is instructing the listing the agent to reject all incomplete offers. A complete offer will be defined as having the requested Lender Prequal and Signed Agent Guideline.
10. The Buyer shall be responsible for all fees incurred if they cannot close on or before the Seller's Lender's written approval of the Short Sale or if not approved on the Seller's Lender's HUD such as but not limited to; Loan Lock Extensions, Seller's Lender's Daily Per Diems, Property Tax, AOA and HOA Fees, AOA and HOA Transfer Fees, TIR Recerts, etc.
11. **Rents, Deposits, Cleaning** and or **Vacating** of the property by the tenant will be coordinated to the best of our ability but is not guaranteed or promised by Team Lally or RE/MAX Honolulu.
12. The **COOPERATING COMMISSION** paid by KELLER WILLIAMS HONLULU is **2.5% (TWO POINT FIVE)** on Short Sale Transactions.

I (WE) HAVE READ AND ACKNOWLEDGE THIS DOCUMENT

PROPERTY ADDRESS: _____

Buyer Agent Signature: _____

Printed Name: _____

Buyer Signature: _____

Printed Name: _____

Seller Signature: _____

Printed Name: _____

Seller Signature: _____

Printed Name: _____