

How and When to Submit a Short Sale Backup Offer

What to do if there's a change in buyer
or the original offer is declined

October 2012

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How to Submit a Short Sale Backup Offer

The Equator Short Sale Processing System – Overview

The Equator system gives you:

- **The ability to initiate a short sale early in the process**, even **before** there's an offer on the property.
- **24/7 access** to check file status.
- **Two-way secure messaging** with your short sale specialist or your closing officer.
- **Communication Log** of all messaging.
- **Document upload** – upload PDF files and JPG images.
- **Ability to escalate issues to your short sale specialist's manager.**
- **Automated processing** – Equator keeps you updated on tasks awaiting completion, and the due date and status of all offers submitted.



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FHA and VA files cannot be processed in Equator at this time. To initiate an FHA short sale, the homeowner must work with their assigned Customer Relationship Manager (CRM). If no CRM is assigned, they can initiate by calling the Homeowner Help Line **1.800.669.6650**. To initiate a VA short sale, contact Short Sale Customer/Agent Care at **1.866.880.1232**.

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How to Submit a Short Sale Backup Offer

When a backup offer may be needed

The short sale process can be lengthy and complex. Unforeseen changes may occur during this process that would prompt you to submit a backup offer to replace the original short sale offer on the property.

This could occur if:

- The original buyer walked out during the process, but you have a backup offer ready to submit from a different buyer.
- The original offer was declined for being insufficient, and you have a backup offer that can be submitted.

This guide outlines how to submit a backup offer under any of these circumstances.

NOTE: Only one offer will be reviewed for approval.

How to Submit a Short Sale Backup Offer

What happens if you need to submit a backup offer?

If a backup offer is necessary at any point during the short sale process and you have one ready to be submitted, you don't have to restart the short sale from the beginning.

To submit the backup offer, contact your short sale specialist **immediately** and they will trigger the appropriate task for you to submit the new offer. You must complete this task within 5 calendar days.



- The short sale can proceed without having to re-upload the financials again if they haven't expired.
- The short sale status in Equator will change to Document Collection/Valuations.
- Complete the following tasks within **five calendar days** or the offer will be declined:
 - Submit Short Sale Offer
 - Upload Initiation Documents
- You will continue working with the same short sale specialist.
- **Contact your short sale specialist immediately** if your buyer walks away, your buyer's name changes or the original offer is declined for being insufficient.
- Let your short sale specialist know if you have a backup offer to submit.
- Any backup offer – regardless of how similar it may be to the previous offer – will require analysis and investor approval, which will add time to the short sale process.
- The short sale will be declined and its record in Equator will be closed by your short sale specialist.
- The status will change to Unavailable and the file cannot be reopened.
- You should return to marketing the property.
- Initiate a new short sale in Equator when you receive a new offer on the property.

See the following pages for step-by-step instructions.

Offer Submission

Submit the offer

You will be assigned two tasks you must complete to submit a new offer:

- Submit Short Sale Offer
- Upload Initiation Documents

1. Click the **Submit Short Sale Offer** link first to begin completing this task.

The screenshot displays the 'OFFER SUBMISSION' status page. At the top, there are fields for 'Type: LENDER', 'List Date: 11/14/11', 'Close Date:', 'List Price: TBD', 'BAC Specialist: [checked]', and 'Listing Agent: [checked]'. Below these are tabs for 'Tasks (1)', 'Offers (0)', 'Expenses', 'Messages (2)', 'Photos', 'Library', and 'Edit'. The 'Tasks (1)' tab is active, showing a table with two entries. A red circle with the number 1 highlights the 'Submit Short Sale Offer' link in the first row of the table.

| Task Name | Role | Lender | Open Date | Due/Completed |
|---|-------|--------|---------------------|----------------------|
| Submit Short Sale Offer | Agent | BAC SS | 05/04/2012 9:53 (0) | 05/08/2012 9:53 (-2) |
| Upload Initiation Documents - Offer 1 | Agent | BAC SS | 05/03/2012 8:13 (1) | 05/05/2012 8:13 (-2) |

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Offer Submission

Step 1

When you click the **Submit Short Sale Offer** link in the **All Tasks** area, you will arrive at the **New Offer** page, where you will enter the offer details. This information should match the Estimated HUD-1 (prorated for 60 days). If it does not match, the offer could be rejected when the negotiator reviews it.

| 1 | Task Name | Role | Lender | Open Date | Due/Completed |
|---|---|-------|--------|---------------------|----------------------|
| | Submit Short Sale Offer | Agent | BAC SS | 05/04/2012 9:53 (0) | 05/06/2012 9:53 (-2) |
| | Upload Initiation Documents - Offer 1 | Agent | BAC SS | 05/03/2012 8:13 (1) | 05/05/2012 8:13 (-2) |

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Step 2

- Select the appropriate option from the **Agency Confirmation** drop-down menu. The example here shows the "Listing & Selling Agent Same" option.
- The fields auto-populate with information that is on file.
- Continue to the **Buyer Information** section.

| Agent Information | |
|-----------------------------|------------------------------|
| Agency Confirmation: * | Listing & Selling Agent Same |
| Selling Agent First Name: * | |
| Selling Agent Last Name: * | |
| Selling Agent Company: * | |
| Selling Agent Address: * | |
| Selling Agent City: * | Charlotte |
| Selling Agent State: * | North Carolina |
| Selling Agent Zip: * | 28255 |
| Selling Agent Phone: * | xxx-xxx-xxxx |
| Selling Agent Fax: | xxx-xxx-xxxx |

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Offer Submission

Step 3

1. From the **Offer Type** drop-down menu, select the appropriate buyer(s). (The example shows "Home Owner.")
Fill out for each buyer.

2. From the **Buyer Type** drop-down menu, select the appropriate buyer type.

3. Complete the **Buyer Information** fields:

- Buyer First Name
- Buyer Last Name
- Buyer Address
- Buyer City
- Buyer State
- Buyer ZIP
- Buyer First 5 Digits of Social Security Number
- Buyer Date of Birth
- Buyer Phone

| Buyer Information | |
|---|----------------|
| Offer Type: * | 1 Home Owner |
| Buyer Type: * | 2 U.S. Citizen |
| Buyer First Name: * | |
| Buyer Last Name: * | |
| Buyer Address: * | |
| Buyer City: * | |
| Buyer State: * | |
| Buyer Zip: * | |
| Buyer First 5 digits of Social Security Number: * | 3 > - -0000 |
| Buyer Date of Birth: * | |
| Buyer Phone: * | -000-000-0000 |
| Buyer 2 First Name: | |
| Buyer 2 Last Name: | |
| Buyer 2 Address: | |

– Continue to the **Who is the Buyer's Attorney?** section.

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Offer Submission

Step 4

1. If you are in a buyer/attorney state, complete the **Who is the Buyer's Attorney?** fields:

- Attorney Name
- Attorney Address
- Attorney Phone
- Attorney Email

| If Buyer/Attorney State - Who Is The Buyer's Attorney? | |
|--|---|
| Attorney Name: | <input type="text"/> |
| Attorney Address: | <input type="text"/> |
| Attorney Phone: | <input type="text"/> Fax <input type="text"/> |
| Attorney Email: | <input type="text"/> |

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Continue to the **Financing** section.

Offer Submission

Step 5

1. Determine if there is a **Financing Prequal**; click Yes or No. If Yes, enter the prequal number in the **Financing Prequal Number** field.
2. Select the **Financing Type** from the drop-down menu.
3. If other than "Cash," complete the remaining fields:
 - Financing Lender
 - Financing Contact
 - Financing Email
 - Financing Phone
 - Financing Rate

| Financing | |
|---------------------------|--|
| Financing Prequal: | <input type="radio"/> Yes <input checked="" type="radio"/> No 1 |
| Financing Prequal Number: | <input type="text"/> |
| Financing Type: * | <input type="text"/> 2 |
| Financing Lender: * | <input type="text"/> |
| Financing Contact: * | <input type="text"/> 3 |
| Financing Email: * | <input type="text"/> |
| Financing Phone: * | <input type="text"/> |
| Financing Rate: * | <input type="text"/> |

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Continue to the **Offer Information** section.

Offer Submission

Step 6

1. Enter the offer details:

- Purchase Amount (Enter First) and Earnest Money Amount
- Down Payment Percent
- Down Payment Amount
- Loan Amount
- Closing Date
- Pest/Termite Inspection and Repair
- Listing Date
- Listing Amount

NOTE: All items from the HUD-1 must be indicated on the Offer Worksheet. If there is no field for an item, enter amount in field "Other Expense Amount" and itemize the item in the corresponding box.

Click **Save and Submit Now** to submit the offer.

| | |
|----------------------------------|---|
| Date: | <input type="text" value="05/04/2012"/> |
| Identity: | <input type="text" value="BUYER"/> |
| Purchase Amount (Enter First): * | <input type="text"/> |
| Earnest Money Amount: * | <input type="text"/> |
| Down Payment Percent: * | <input type="text"/> |
| Down Payment Amount: * | <input type="text"/> |
| Loan Amount: i | <input type="text"/> |
| Closing Date: * | <input type="text"/> |
| Comments 1: i | <div><div></div><div>(100 characters remaining)</div></div> |
| Pest/Termite Inspection: i | <input type="text"/> |
| Pest/Termite Repair (Sect. 1): i | <input type="text"/> |
| Listing Date: * | <input type="text"/> |
| Listing Amount: * | <input type="text"/> |
| Cash Contribution - 1st Lien: i | <input type="text"/> |
| Cash Contribution - 2nd Lien: i | <input type="text"/> |

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Offer Submission

Tips for submitting an offer

Offer Information Sections

Submit your **highest and best** offer the first time. This makes it more likely that the investor will accept the offer.

- Submit only a single offer, but (if possible) have a backup offer in reserve from a different buyer in case it's needed.
- Complete the Offer Information sections in their entirety; don't leave any section blank.
- Failure to provide all closings costs/fees may result in delays.
- Second liens
 - Fees for Bank of America second liens should be put in the Second Lien field.
 - Fees for second liens that are not held by Bank of America should be put in the Outside Liens field.
- Make sure the information matches the latest HUD-1.
- Do not enter zero for any field. It may cause calculation errors at closing.

Closing Fees Buyer/Seller Must Pay

- Documentation preparation
- HOA fees (Non Super-Lien States)
- Home warranty
- Liens and judgments
- Notary fees
- Real estate administration fees
- Reconveyance fees
- Recording fees
- Repairs
- Short payoff processing fees
- Sub-escrow fees
- Surveys
- UPS/FedEx fees
- Wire fees

Offer Submission

Tips for submitting an offer

Include information about the buyer and the co-buyer:

- Name, date of birth (MM/DD/YYYY) and the first five digits of the Social Security number.
 - This information is required for “arm’s-length” checks.
 - Information is not sold or used for any other purposes.
- The buyers entered here are the buyers being submitted for short sale review. If there is a change in buyer at any time in the process, contact your short sale specialist immediately.

Offer Submission

Upload Initiation Documents

1. After submitting the short sale offer, select the **Upload Initiation Documents** link. You will be prompted to upload the following documents. These documents must be submitted for your short sale to progress.
 - Signed Purchase Contract with Bank of America **Buyer's Acknowledgment and Disclosure** form*
 - Bank of America **Short Sale Purchase Contract Addendum***
 - **Estimated HUD-1** (prorated for at 60 days)
 - **IRS Form 4506-T***

| Task Name | Role | Lender | Open Date | Due/Completed |
|--|-------|--------|---------------------|----------------------|
| Submit Short Sale Offer | Agent | BAC SS | 05/04/2012 9:53 (0) | 05/06/2012 9:53 (-2) |
| 1 Upload Initiation Documents - Offer 1 | Agent | BAC SS | 05/03/2012 8:13 (1) | 05/05/2012 8:13 (-2) |

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* The Buyer's Acknowledgment and Disclosure, the 4506-T and the Short Sale Purchase Contract Addendum are available on the Agent Resource Center at bankofamerica.com/shortsaleagent. Agents will be notified if their short sale requires an additional addendum.

Offer Submission

Upload Initiation Documents

- For each of the required forms, select **Browse** to search your computer files to find the completed forms you want to upload.
- Type in the form name in the **Description** field.
- Click **Upload**.

The screenshot shows a web form titled "Upload Initiation Documents". It contains five sections for uploading documents: "Upload Purchase Contract", "Upload Estimated HUD", "Upload 4506T", "BAC SS Addendum", and "Comments". Each document section has a "Browse..." button (callout 2), a "Description:" text input field (callout 3), and an "Upload" button (callout 4). Below the document sections is a "Comments" text area with a "(1000 characters remaining)" indicator. At the bottom of the form are two buttons: "Save and Submit Later" and "Save and Submit Now".

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Offer Submission

Tips for uploading documents

Accuracy Is Key!

- Make sure key information (buyer, purchase price, etc.) matches across documents and the information is accurately entered into Equator.
 - Example: The Estimated HUD-1 must match the purchase contract and the Offer Worksheet.
- Do not upload blank, incomplete or incorrect documents just to close out a task.
 - Example: The Purchase Contract must be signed by all parties or it will be rejected.
- Review documents and images for accuracy and clarity before uploading.
 - Acceptable documents are legible, 100% complete and signed by all relevant parties.

Use the Proper Formats

- Upload documents in acceptable file formats:
 - Documents should be in PDF.
 - You can download the software to create PDF files at adobe.com.
- Compress your files.
 - There is a 75MB total limit for all uploaded documents per property.
 - Submitting docs in black and white will help reduce your file size.
- File names must consist of letters and numerals only, no spaces or symbols.



Commitment to Continued Improvement

Bank of America is committed to identifying new and different ways to make the process transparent and efficient.

Improving the short sale process

- Ongoing collection of feedback on process, people and technology
- Dedicated team of short sale professionals
- Enhanced our technology; monthly upgrades ongoing
- Resources for short sale education

Where to locate additional information

Short Sale Agent Resource Center
bankofamerica.com/shortsaleagent

Dedicated Customer/Agent Care
1.866.880.1232

Monday – Friday 8 a.m. to 10 p.m.
Saturday 9 a.m. to 5:30 p.m. Eastern

For homeowners:

Bank of America Home Loan Assistance
bankofamerica.com/hometransition



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