

REALTOR® short sale guide



What is a short sale?

A short sale is when the lender agrees to release the lien for less than the full amount that is owed.

How to get started

The REALTOR accesses Equator at www.equator.com and chooses the "Initiate Short Sale" link to begin the process OR faxes the complete short sale package to 1-866-969-0103, Attn. Setup.

Documents (checklist) required for a short sale application

From the REALTOR

- ☐ Fully executed listing agreement

From the Homeowner

- ☐ Financial worksheet listing all monthly expenses signed and dated within the last 60 days.
- ☐ Hardship letter (why they are unable to pay the mortgage) signed and dated within the last 60 days.
- ☐ Letter authorizing the REALTOR access to information on the borrower's account. The letter must be dated and include the last 4 digits of the borrower's Social Security Number, their signature, the full mortgage account number, the property address, the account telephone number and the name of the REALTOR and real estate company name.
- ☐ Proof of income and tax information.

Additional information

- Short sale approval is good for 30-45 days, depending on the investor. If closing does not occur within that time period, the entire short sale package may need to be resubmitted with updated information, or the approval process may need to start over.
- REALTOR or homeowner inquiries should be directed to the Short Sale Team, whose information will be communicated during the introduction call.
- REALTORS are generally allowed a 5% to 6% commission rate; however, that may vary based on investor guidelines. Dual-agency relationships could also impact the commission structure. Commission fees will be confirmed during the negotiation process.
- The seller cannot list the property with, or sell to anyone, that the seller is related to or is in a close personal or business relationship, this is also referred to as an "arms length transaction." Sellers with a real estate license may not earn a commission by listing their own property. The seller may not have any agreements to receive a portion of the commission or the sales price after closing.
- The purchaser must agree to not sell the home within 90 calendar days from the date of purchase. The seller may not have any expectation that the seller will be able to buy or rent the house back after the closing.
- In order to reduce the 45 day response time Wells Fargo Home Mortgage strongly recommends that the homeowner and/or REALTOR provide the required documentation as soon as the listing contract is signed. This will allow us to complete the property valuation and borrower financial evaluation prior to receiving a purchase offer. This significantly reduces the short sale decision time for a submitted offer.
- In some cases, investors and/or PMI companies require the mortgagors to provide a payment or sign an unsecured note for some or all of the difference between the net proceeds from the sale and the total amount due. This is communicated as part of the response on a short sale purchase offer.
- Please note, foreclosures run in conjunction with short sales and short sale approval does not automatically or guarantee the postponement of a foreclosure sale.

Together we'll go far



Our estimated timeline based on business days, assuming all documents are submitted timely and are complete:

Event	Timeline (Business days)	Total process (Business days)
<ul style="list-style-type: none"> • Complete short sale application received • Short sale application activated • Complete application assigned to a processor Please note: Incomplete application will delay process	2	2
<ul style="list-style-type: none"> • Processor initial review • Introduction contact to REALTOR and homeowner 	5	7
<ul style="list-style-type: none"> • Property evaluation completed (appraisal or interior broker price opinion per investor requirement) 	15	22
Receipt of these documents: <ul style="list-style-type: none"> • A completed net sheet/HUD (our payoff is not necessary) • Fully executed purchase contract with all pages initialed by buyers(s) and seller(s) • Buyer pre-qualification letter or proof of funds if cash offer Additional steps: <ul style="list-style-type: none"> • Mortgage insurer approval • Investor approval • Negotiation • Additional liens negotiated by REALTOR 	20	42
After all items above are complete <ul style="list-style-type: none"> • Application decision • Decision letters issued 	3	45
Timeline events may overlap and occur simultaneously		



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