

# Benefit manager's short sale guide



## What is a short sale?

A short sale is a work out program that allows the customer to sell the home for less than the total amount owed. Upon final approval, a short sale can help homeowners avoid further collection activity or foreclosure action.

## How to get started

- Homeowner is required to call the Short Sale Phone team at **1-866-903-1053**. Financial information is reviewed and pre-foreclosure sale counseling is completed.
- The **REALTOR**® faxes the complete short sale package to **1-866-969-0103**, Attn: Setup.
- If the property is located in Alaska call **1-888-833-6711**.

## Documents required to begin an application

### From the REALTOR

- Fully executed listing agreement

### From the Homeowner

- Signed and dated financial worksheet listing all monthly expenses.
- Signed and dated hardship letter (why they are unable to pay the mortgage).
- Letter authorizing the **REALTOR** access to information on the account. It must be dated and include the last 4 digits of the borrower's Social Security Number, their signature, the full account number and the property address.

## Additional information

- Short sale approval is good for 30 days. If closing does not occur within 30 days, 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 negotiator assigned to the file, whose information will be communicated during the introduction call.
- This must be an "arms-length" transaction. The property may not be sold to anyone the seller has a close personal or business relationship with including family, friends or neighbors.
- During the introduction call the following will be addressed:
  - Commissions
  - Fees and costs
  - Pricing of the property
  - Timeline
- In order to reduce the 35 day response time the liquidation team is strongly recommending that the homeowner and/or **REALTOR** notify Wells Fargo Home Mortgage of their intention to sell their property as soon as the listing contract is signed. This will allow us to complete the property valuation and borrower financial evaluation prior to receiving an offer. This significantly reduces the short sale decision time on a submitted offer.
- In some cases investors and/or PMI companies require the mortgagors to 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 offer.

Together we'll go far



This is our estimated timeline based on business days and assuming all documents are submitted in completed form and timely.

Event	Timeline (Business Days)	Total Process (Business Days)
<ul style="list-style-type: none"> <li>• Complete short sale application received</li> <li>• Short sale application activated</li> <li>• Complete application assigned to negotiator</li> <li>• Incomplete application will delay process</li> </ul>	2	2
<ul style="list-style-type: none"> <li>• Negotiator initial review</li> <li>• Introduction call to <b>REALTOR</b> and homeowner</li> </ul>	5	7
<ul style="list-style-type: none"> <li>• Property evaluation completed (appraisal or interior BPO per investor requirement)</li> </ul>	15	22
<p><b>Additional steps:</b></p> <ul style="list-style-type: none"> <li>• Mortgage insurer approval</li> <li>• Investor approval</li> <li>• Additional liens negotiated by <b>REALTOR</b></li> <li>• A completed net sheet/HUD (our payoff is not necessary)</li> <li>• Fully executed purchase contract with all pages initiated by buyers(s) and seller(s).</li> <li>• Buyer pre-qualification letter or proof of funds if cash offer.</li> </ul>	11	33
<p><b>All items above complete</b></p> <ul style="list-style-type: none"> <li>• Application decision</li> <li>• Decision letters issued</li> </ul>	2	35

Timeline events may overlap and occur simultaneously

Contact your Wells Fargo Home Mortgage representative for more information.



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