

# **Short Sale Success Kit**

By Dave Hale

**FREE SAMPLE**

# Short Sale Success Kit

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## **A note from Dave...**

Thanks for your interest in my Short Sale Success Kit. I've been working on it for months and I continue to change it as the short sale industry evolves. The laws that govern short sales are changing and we have to keep up. Short sale strategies that worked 18 months ago do not necessarily work today. However, the agents that work hard at understanding how to successfully close short sale transactions are going to have an incredible advantage. The short sale specialist can have all the listings he or she would like.

It's important to me that this document becomes a valuable resource for you as you manage your own short sale listings. Maybe it will help you to get just one difficult transaction closed or maybe it with this information in hand you'll be eager to market yourself as a short sale specialist. Either way, I genuinely want you to be successful in your endeavors and I wish you the best of luck!

If you have a question or would like to suggest a new topic that could be added to this report please email me.

*Dave*

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Now, let's get started...

# **The Short Sale Specialist will Dominate the Market**

Sellers need you right now. They're located in every city in the country and they're crying out for your help. Home values have dropped and they have to sell. No more questioning your commission. No more telling you how to market the listing. You're the one in charge and your client knows it. You have the ability to get them out of a jam and they're ready to do what ever you recommend. Welcome to the world of the Short Sale Specialist.

"Wait a minute!", you yell out. "In a short sale the seller's easy to deal with. It's their lender that's hard!"

You're right, you're right. Making progress with the seller's lender(s) is a big part of a successful short sale transaction, but there's more to it. I designed this Short Sale Success Kit to help with this entire process. From your first meeting with the seller to the last hiccup just before escrow closes the transaction. Once you learn the process, you can have all the listings you want.

**Short sales are everywhere.**

**If you're not listing them yourself, your buyers are finding them anyway.**

**If you can embrace short sales, you can dominate your market.**

Some agents have told me they just don't do short sales. I think this is naïve. We all either have been doing short sales or we will be doing them soon. Property values have dropped and sellers need to get out of their homes. For most, short sales are the only way. Whether on the buyer side or seller side we all will be involved with short sales in 2009.

Once you decide to become a short sale specialist, your world changes. You no longer have to bend over backwards to convince prospects of your value. Buyers gravitate to your short sale listings because of the attractive price. Sellers are ready to list immediately, once they see that this may be a way out of a difficult spot with their lender.

Is it hard work? Yes, *but so is every part of our business*. The short sale listing agent spends his or her time negotiating with banks instead of chasing less-than-motivated buyers and sellers. . If you're willing to accept the extra work that comes with the short sale transaction, you can have as much business as you want.

**Agents that treat short sale business as an opportunity  
will dominate the market in 2009.**

As a short sale listing agent you will have several top priorities:

**Protecting your commission.** The seller probably won't question your commission but the seller's lender might. The negotiator might say something like: "We never approve any sale that has more than 4% in total commissions." We need to have a response for this so that you and the other agent will receive the commission you deserve.



Auburn, WA

I listed and sold this one for \$299,000.

**Efficient use of your time spent on the transaction.** Short sales do not have to take more of your time than other transactions – but you need to be organized. We need to know exactly what questions to ask the seller and the seller's lender(s) before we accept the listing. Then we need to know exactly what steps to take along the way to keep the process moving forward.

**Determining if this seller is actually capable of closing.** Sellers always want you to help them solve a problem. When we can do this successfully we get paid. As a short sale agent we need to be able to recognize if a seller is in a situation that we simply cannot help. We need to identify this early before investing weeks or months of effort and so that the seller can pursue other options.

Today, I try to list at least one short sale property every month, and I enjoy short sales. But it wasn't always that way. I've listed short sales that never closed. I've spent months working a short sale transaction just to get turned down by the seller's lender at the last second. I know how hard it can be. I've felt the same heartbreak you feel after a short sale transaction has fallen apart. But there is good news. Lenders need short sales to close. learn from my mistakes and I'm willing to share.

# Protecting Your Commission

We work too hard for our clients to have our commission taken away at the last minute. Sometimes in short sales we will be forced to accept a reduced commission but we don't have to take it lying down. When you get a possible short sale listing you need to start working right away to make sure you receive all the commission you deserve.

**Show the lender it is in their best interest to pay your full commission and you will receive it on almost every short sale.**

**Step 1: Find out the lender's policy on short sale commissions the moment you take the listing (or sooner).** You might as well know what you're dealing with. Call the seller's lender and ask for the short sale department. Just because Bank of America (for example) paid another agent in your office a certain commission on a short sale the same may not hold true for you. You don't need to tell them your name or your seller's name, just explain you're signing a listing that may end up being a short sale and you need to know what policies they might have on the closing cost line items listed in the settlement statement. I don't specifically mention commissions but they always seem to bring it up. At least I know right from the start if I'm going to be in for a battle.

**Step 2: Ask the Loss Mitigation/Short Sale Department how often exceptions are made to their policy.** Once you know if the lender typically pays less than you have indicated on your listing contract, find out under what circumstances they make exceptions. I never accept "We don't make any exceptions." as an answer. If need be, I keep calling back to speak with different short sale representatives until I find out what kind of situations warrant an exception.

**Step 3: Get the Buyer's agent on board right after you get mutual acceptance.** This is a big one. Find out if the buyer's agent has a Buyer's Agency Agreement (BAA). The BAA may indicate the amount of commission the other agent will receive which is normally paid by the seller. If the