

## The Jarvis Team – Short Sale Specialists *Instruction to the Selling Agent*

*We love working with our co-op agents and we understand that setting expectations is the key to this market. We created this document, not to add extra work for you but rather to set expectations.*

- OFFER:** All offers should be on standard 2011 GAR contract
- AS-IS:** All offers are AS-IS. Buyer will be given up to 10 days for due diligence period and can terminate should they find any material defects.
- There may not be a seller's disclosure. We do give our sellers the option of not filling one out if the home is vacant.
- THERE WILL BE NO REPAIRS OR ALLOWANCES MADE.**
- Earnest Money** – NO CONTRACT will be considered without earnest money. **PERIOD.**
- Minimum \$1,000 or 1% whichever is greater. Selling Agent may hold earnest money. **A copy of the check is mandatory for offer to be considered. PROOF OF FUNDS IF ALL CASH.**
- Earnest Money** - All earnest money will be held as non-refundable for 60 days. See stipulation.
- Attorney** - we will select the attorney. The attorney plays a role in our short sale process and needs to be compensated by the closing. If you have a cousin or spouse that is YOUR attorney, we will match their family rate on the buyer side of the transaction. In many cases, buyers who use our attorney will have lower fees. Obviously, the buyer is welcome to bring their own attorney to the closing at their own cost.
- FINANCING** – A pre-approval letter MUST accompany your offer to be considered, **PERIOD. If the lender is out of state or unheard of, we will ask you buyer to pre-qual with someone on our lender list.**
- CASH OFFERS** – Cash offers will require \$5,000 Earnest Money or 10% of purchase price whichever is greater. Must include proof of funds. **Proof of funds must be verifiable and not simply a letter.**
- CLOSING COSTS** - Please don't request more than 3% we've never seen this approved (more than this).
- No NACA, DPA or any other loan that affects the sales price or closing costs (even though the seller's net is the same, we have not seen this approved in the past 100 closings)

- ❑ **Multiple Offers** – In some cases we will receive multiple offers; we will notify all parties and ask for highest and best.
- ❑ **OFFER PACKAGE:** All offers must contain the following or will be rejected regardless of terms.
  - ❑ **Instructions to Selling Agent (this sheet)**
  - ❑ **Notice to Short Sale Buyer**
  - ❑ **Pre-approval letter or Proof of Funds**
  - ❑ **Copy of Earnest Money**
- ❑ **UTILITIES** – If the property is vacant and the utilities are off, **it is the BUYER's responsibility to turn the utilities on.** Most utility companies will do this at no charge or a deposit held, if for inspection purposes. Yes, we do know that this policy makes life difficult. If the utilities are off, then the seller has a severe hardship (because we ask them to leave them on).
- ❑ **COMMISSION** – We make every effort to collect as much commission as possible. In the event the payoff does not allow for a full 6% (advertised) then the buyer's agent will receive 50% of the gross commission.
- ❑ NO HOME WARRANTIES, NO TERMITE, NO PEST, NO ROOF WARRANTIES, NO <INSERT JUNK ADD-ON HERE>
- ❑ **ADDENDUMS – We like the following:**
  - ❑ **All parties agree that ALL terms are contingent on seller's lender(s) approval of a short payoff.**
  - ❑ **Earnest Money will be considered non-refundable for 60 days from binding agreement date. Earnest money will be refunded to the buyer in the event of a foreclosure. Should the buyer terminate before 60 days the earnest money will be forfeited to the seller.**

## **EXPECTATIONS**

1. Our normal turnaround time is **60 to 90 days** for most banks. If it's longer we will tell you and of course, we'll tell you if it's shorter.
2. We will attempt to update you once every 2 weeks, unless there are significant updates. It usually looks like there is nothing going on the first 30 days and then there are a flood of updates toward the end. **PLEASE ADVISE YOUR BUYER ON THIS!**

3. Once we begin you will likely be updated by a staff person. Trust us when we tell you that this person will know more about the actual short sale than Joshua will. He can help you with your real estate specific questions, but direct all requests for updates to your staff person.
4. We expect that your buyer will be ready to close in 30 days from approval.
5. We expect that your buyer's lender will not sit on their rear and will actually get everything on the file done EXCEPT for the appraisal. If this is new to you, you will have to ask most loan officers to move the file through. This is doubly important with Wells Fargo.
6. Do not ask for repairs after inspections.
7. If you start showing homes to your client, we understand that you want to get paid. Please let us know so we can brace our seller for what might happen.
8. No, we most likely will not sign your Shaun Rawls Group documents, CDPE documents or any other non GAR form document.
9. Please do not contact our seller directly unless you are setting up an appointment to view the property.
10. Please do not take the key in the lockbox and give it to your client before we are clear to close.
11. My Broker, Gary Keller, Trulia and ActiveRain do not know about your file. Please do not bother them or post on them about our transaction.

Most of our business comes from referrals. We understand that these extra instructions will appear to be professional to some and annoying to others. They've been written in a way to reveal our heart in trying to make smooth transaction. We pay 25% referral fees for short sales and would love to help you grow your business in this area.

**Please give us the best contact information for you:**

**SELLING AGENT**

NAME: \_\_\_\_\_

PHONE(S): \_\_\_\_\_

Phone number to call when short sale is approved: \_\_\_\_\_

E-mail: \_\_\_\_\_

Fax: \_\_\_\_\_

LICENSE #: \_\_\_\_\_

Do you belong to a team, have an assistant need someone cc'ed? Just write it below.

## THE JARVIS TEAM – SHORT SALE SPECIALISTS NOTICE TO THE SHORT SALE HOMEBUYER

There are several things that you should know before you make an offer on a short sale. We created this form to hopefully help the process a little less stressful for you. A short sale contract is a lot different than buying a home with a conventional buyer. There are many issues common to short sales that frustrate buyers and we are trying to circumvent some of those issues now.

Please refer to your contract **and your agent** for a more detailed explanation. Please be sure to sign and date this along with your agent and have him return it with your offer.

### **Pre-Qualification**

Some lenders understand the important timelines and the tight requirements for a short sale and some do not. **We will not accept out of state lenders, sorry.**

### **Earnest Money**

Your earnest money will be non-refundable for up to 60 days. Please do not look at other homes (unless you would like to forfeit the earnest money) during this time period. **Your earnest money keeps us from selling the home to another buyer.**

### **Closing Attorney**

We will select the attorney. The attorney plays a role in our short sale process and needs to be compensated by the closing. If you have a cousin or spouse that is YOUR attorney, we will match their family rate on the buyer side of the transaction. In many cases, buyers who use our attorney will have lower fees. **Legally speaking the attorney still represents the buyer's lender not the seller or the seller's lender.**

### **Time Frame**

A short sale contract must be approved by all the lien holders of the property. **REMEMBER, the SELLER (Homeowner) is the OWNER, not the bank.** The process will take a minimum of 45 days but can take up to 180 days in extreme situations. Once you are under contract then Seller is "BINDED" to you and will not consider any other offers, except as backups. **Please refer to your real estate agent to find out if you are legally under contract.**

### **Closing Date**

The exact closing date will be hard to determine until all of the lien holders have all approved the short sale documentation.

### **Updates**

We will communicate with your buyer's agent and will update them on significant progress at least once every 2 weeks. Mondays are the worst days for updates. Remember, the short sale lien holders work a bank schedule.

## Some Expectations

1. Expect the process to take 60 to 90 days from the time of your offer.
2. **Expect to close in 30 days from approval (or sooner)**
3. We expect that your lender will not sit on their rear and will actually get everything on the file done EXCEPT for the appraisal. If this is new to you, you will have to ask most loan officers to move the file through. This is doubly important with Wells Fargo.
4. We will provide you with updates the best we can (to your agent) however, our Broker, Gary Keller, and Trulia does not know what is going on with your offer, file, etc.
5. YouTube, Google and your neighbor are not good sources of legitimate information concerning short sales. **Please consult with your agent regarding questions.**
6. **Please only communicate with your agent. Do not attempt to contact us.**

We hope you appreciate the time we took to try to give you something to expect and appreciate the tone of it. We really want to have smooth transaction that meets and exceeds everyone's expectation!

We look forward to working with you and your awesome agent.

BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_

SELLING AGENT: \_\_\_\_\_ DATE: \_\_\_\_\_