

# HELPFUL TOOLS

## FOR REALTORS WRITING OFFERS ON SHORT SALES OR FORECLOSURES

**1** If you are presenting an offer on a property that is an “Approved Short Sale”. Ask the Listing Agent for a copy of the approval from Loss Mitigation to confirm the time frame. The reason for this is to confirm your approval expiration date exceeds your escrow closing date. If not, ask the Listing Agent start a request for an extension. This should be done in writing.

**2** On a Bank Owned: It appears many banks are asking 10 days for inspection and contingency periods. It is beneficial for your client to counter back for 17 days. It gives you and your buyer some extra time.

**3** On Bank Owned – Ask for a 45 day escrow. The lenders have picked up significantly and some underwriting turn times are 7-10 days. Lenders count actual work days and exclude any holidays.

**4** When offering your best price to either a Short Sale or Bank Owned. If you are asking for a seller credit and you want the best offer, here is the formula I recommend: You take your best “Offering Price” then you add your seller credit on top of that. (Sales Price + the amount of your credit = offering price)

**5** Keep in mind that we are finally entering an investor market. Although owner occupied allows up to 6% seller concessions, non-owner occupied loans have been reduced to 2%.

**6** Be aware with the Lender’s per diem charges. Many lenders have recently been subjected to slowdowns, layoffs and even some shutdowns. With a new surge in mortgage business, some lenders currently don’t have enough manpower and cannot match our expected 2-3 day turnaround times. I would recommend Realtors put a clause into the offer that should loan be held up in closing - due to lender - buyer be given a grace period. Additionally, ask for an acceptance to waive the fee. I have seen both Countrywide and Indymac work with us. It is important to have this in your offer up front. Once we are in escrow, it is very difficult to get anyone to agree. I am seeing some of the charges hit \$200.00 a day.

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**7** Currently there seem to be more and more buyers that would like to rent their current home and buy a new home. Here are some guidelines we are seeing more and more lenders adhere to for FHA and Conventional. If your client owns a home and is buying a new home, he or she may need to have 25% equity in their primary residence. Otherwise the lender will qualify the borrower with both mortgages and not allow any rental income. This usually throws the numbers out of reason. The lender is concerned about buyers buying new homes and letting the old ones go. Our lending institutions are doing everything possible to help this market turn around and stop the foreclosures.

**8** VA/Cal Vet- Please verify that your clients are working with a Direct VA Lender. Cal Vet typically takes 30 days just to underwrite. VA is very competitive and if your client is using a Direct VA lender they can approve the loan for you. There are very few cases where a VA loan has to go to VA.

**9** If you are writing offers for FHA on condos you can check this list to see if they are FHA approved: <https://entp.hud.gov/idapp/html/condlook.cfm> . If it is not approved my web site has the form for a "Spot Approval" . You can download it at [www.LoansCoast2Coast.com/realtors.html](http://www.LoansCoast2Coast.com/realtors.html) . I will be more than happy to assist you in completing form correctly.

**10** The VA link for VA approved condos is: <http://condopudbuilder.vba.va.gov/2.2/frames.html>

**11** Windsor Capital also has the ability to pull Certificate of Eligibility for your clients at no additional charge. This will speed the process up from 4 weeks to 48 hours.

This list will continue to be updated. View it on the web at [www.loanscoast2coast.com](http://www.loanscoast2coast.com) or call Tracy at 760-522-6678

Tracy Matteo

