

# Traditional Short Sales

## Quick Reference Guide for Real Estate Professionals



Welcome to the Bank of America traditional short sale process. Our improved short sale tools, including resources at [bankofamerica.com/realestateagent](http://bankofamerica.com/realestateagent) and the short sale processing system at **Equator.com**, will help you manage the transaction and achieve a timely closing. A typical short sale will take from 5 to 16 weeks, and we are continually working to further reduce this time.

### Traditional Short Sale Timeline and Milestones

	Short Sale Initiation	Submit Offer and Documents	Obtain Valuation and Internal Information	Analyze Offer	Investor Decisions	Closing
Key Steps for Agents	Create a <b>free</b> account and initiate a short sale at <b>Equator.com</b>	<ul style="list-style-type: none"> <li>Upload documents and enter information as requested</li> <li>Ensure that the homeowner has uploaded all documentation</li> </ul>	Help to schedule home valuation	Respond to any counteroffers	Communicate any stipulations or changes, if needed, to seller/buyer	Close the deal
Key Steps for Bank of America		<ul style="list-style-type: none"> <li>Review third party documentation authorizing the real estate agent or attorney to act on behalf of the homeowner</li> <li>Validate offer and supporting documents</li> </ul>	<ul style="list-style-type: none"> <li>Order home valuation</li> <li>Review loan status and payoff information</li> </ul>	<ul style="list-style-type: none"> <li>Assign a short sale specialist</li> <li>Analyze collected information and negotiate offer to be presented to investors</li> <li>Submit offer to mortgage insurers and investors as needed</li> </ul>	<ul style="list-style-type: none"> <li>Receive approval, decline or renegotiation stipulations from investor</li> <li>Notify agent and customer of <b>final</b> decision from investor or give status update if there is a delay</li> </ul>	<ul style="list-style-type: none"> <li>Assign a closing officer</li> <li>Work with agent and title company to enable closing</li> </ul>
Status in Equator		Document Collection	Valuations	Negotiation	Negotiation	Closing
Equator Automated Status Notification		Notification when Document Collection stage is complete	Notification when Valuation stage is complete and a short sale specialist is assigned	Notification when Analyze Offer stage is complete and file is ready for investor reviews	Notification if the decision is taking longer than expected (Your short sale specialist will contact you with further information.)	
Typical Time Frame		<b>1 day to 2 weeks</b>	<b>1 to 3 weeks</b>	<b>1 to 4 weeks</b>	<b>1 to 3 weeks</b>	<b>2 to 4 weeks</b>

**Estimated Total Time: 5 to 16 weeks**  
(Dependent on loan complexity and investor response)

**Note:** This guide is not applicable to HAFA or FHA/VA short sales. Upon initiation of a traditional short sale, homeowners potentially eligible for HAFA will receive a letter instructing them how to apply for the program.

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## Agent-Assigned Tasks

Once the short sale transaction has been initiated in the short sale processing system, it will prompt you to complete the following tasks. To expedite the process, please complete tasks promptly and ensure information is accurate and complete.

### 1. Upload Third-Party Authorization

- ☐ Borrower-signed approval to release information to a third party

### 2. Submit Short Sale Offer (Fill out the offer worksheet.)

- ☐ Purchase price
- ☐ Fees
- ☐ Closing costs
- ☐ Expected closing date
- ☐ Buyer information

### 3. Upload Offer Documents

- ☐ Fully executed purchase contract

### 4. Upload Supporting Documents

- ☐ Photo of the property
- ☐ Buyer prequalification letter or proof of funds
- ☐ Preliminary Settlement Statement or HUD-1
- ☐ MLS number and listing

## Homeowner Documents (required for each borrower on the loan)

Direct your homeowners to call **Bank of America's Customer Care Line** at **1.866.880.1232**, where they will be given access to [bankofamerica.com/shortsale](http://bankofamerica.com/shortsale), where they can upload the required documents listed below. Agents will not receive notification of homeowner tasks; however, you can help facilitate completion of these tasks to ensure this does not delay the process.

- ☐ Two most recent months' bank statements
- ☐ Two most recent pay stubs (or income/expense reports, if self-employed)
- ☐ IRS Form 4506-T Request for Tax Return (specifying a request for the past two years)
- ☐ Signed hardship letter

**Note:** Additional documentation, such as a promissory note or arms-length affidavit, may be required as a stipulation of investor approval.

## Education and Resources

Bank of America offers online education and resources to give you and your clients a comprehensive understanding of the short sale process.

As a real estate professional, you can access the Real Estate Agent Resource Center at [bankofamerica.com/realestateagent](http://bankofamerica.com/realestateagent) for information including:

- **Education library** of important documents
- **Free webinars**
- **Important news and updates** about the short sale process and technology. Stay informed by subscribing online to receive email updates.

Your clients can get further information by visiting [bankofamerica.com/homeloanhelp](http://bankofamerica.com/homeloanhelp).

## Personal Support from a Dedicated Team

We have a team of experienced short sale professionals ready to assist you through each stage of the short sale process.

You'll also receive automated communications that track the progress of each transaction. If you have questions or concerns, you can contact us in a variety of ways.

1. Reach your short sale specialist or closing officer directly through messaging in the short sale processing system.
2. Access helpful information by visiting [bankofamerica.com/realestateagent](http://bankofamerica.com/realestateagent).
3. Contact Short Sale Customer Care at **1.866.880.1232** from 8:00 a.m. to 9:00 p.m. Eastern.

# Traditional Short Sales

## 10 Tips to a Successful Short Sale

### 1. Educate yourself about the short sale process.

Increase your knowledge of short sales and become an expert on Bank of America's process by visiting the Real Estate Agent Resource Center at [bankofamerica.com/realestateagent](http://bankofamerica.com/realestateagent).

The more you understand about short sales, the better you'll be able to navigate and facilitate each transaction.

### 2. Set homeowner expectations.

It's important that your homeowner and all parties involved understand the nature of a short sale transaction. More paperwork is required and approval and cooperation are needed from multiple parties, including investors, lien holders and mortgage insurers. This increases the possibility that we may experience delays in the process and the transaction may take longer than a typical home sale.

### 3. Make sure additional liens are released.

Help your homeowner identify all liens on the property and seek release for those that are not serviced by Bank of America.

### 4. Submit an offer that reflects fair market value.

The most significant factors for investors when weighing approval of an offer are the net proceeds from the sale. Submitting low offers can result in immediate decline.

### 5. Verify purchase offer is complete before submitting.

Offers must include appropriate addendums and be signed by the buyer and homeowner.

### 6. Negotiate third-party fees in advance and supply a completed HUD-1.

Negotiate external fees prior to submitting the HUD-1 Settlement Statement. Be sure that the HUD-1 Settlement Statement is valid for at least 60 days and all information is transferred to the Offer Worksheet in the short sale processing system.

### 7. Review all documents before uploading them into the short sale processing system.

Check all documents for accuracy, completion and clarity. When prompted by the short sale processing system, upload each document as a separate PDF file.

### 8. Complete assigned tasks quickly.

Check your messages in the short sale processing system often and complete assigned tasks as quickly as possible.

### 9. Obtain approval on counteroffers before accepting.

Counteroffers should be approved by all parties and the contract should be updated prior to acceptance.

### 10. Notify Bank of America immediately if any of the following occur:

- Change in buyer — A change in buyer at any time may require the initiation of a new transaction.
- Homeowner files bankruptcy — If the homeowner has filed bankruptcy, the trustee must provide a court document that approves the sale of the property.
- Change in the closing date.
- Change to the deal after the approval letter is issued.