

Markve and Zweifel, PLLC

Attorneys at Law

AGENT GUIDE TO SHORT SALES

www.mzlawshortsales.com

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MARKVE & ZWEIFEL SHORT SALE PROCESS



 LISTING	Realtor receives short sale lead. Refers homeowner to MZ Law for no charge consultation. Realtor lists the property for sale.
 SHORT SALE PACKAGE	Seller retains MZ Law. MZ collects financial docs from seller and orders title work on property. MZ Law works on title clearing if applicable.
 SALE	Purchase agreement accepted. After completion of home inspection, agent forwards PA, listing agreement, and applicable forms to MZ Law. Agent provides pertinent property info to lender's bpo agent and/or appraiser.
 NEGOTIATIONS	MZ Law Legal Assistant submits short sale file to lender(s). Lender orders bpo, reviews seller hardship eligibility and confirms buyer's offer as sufficient. Submits short sale to investor for final approval. MZ Law updates listing agent at least weekly. Listing agent updates buyer's agent.
 APPROVAL	Short sale approval letter(s) received. Seller agrees to terms. Legal Assistant forwards approval letter(s) to all parties. Forwards file to contract closer for closing preparation.
 CLOSING	Listing agent schedules closing date and time. Title closer sends ALTA to Legal Assistant to request final HUD approval from short sale lender. Once approved, closing takes place.

KEY POINTS EVERY AGENT NEEDS TO KNOW

- Short sale approval process takes 2 - 4 months with most servicers from time offer is submitted to approval in hand. Some servicers and some types of mortgages can take longer. Buyer's offer must be at fair market value to be approvable for short sale.
- Depending on seller's loan type, short sale seller may receive a check of \$1,500 to \$7,500 at closing, if eligible for relocation assistance. Property must be owner occupied at time of approval and meet certain financial hardship criteria to be eligible (see page 9)
- In most cases, short sale is no longer available once sheriff sale has occurred. There are some exceptions
 1. Contact wendy@mzlaw.us to see if exception applies before listing.
 2. Seller can postpone their own sheriff sale if property is owner occupied.
(see pages 18-21)
- No electronic signatures allowed on any documents that go to short sale lenders, with the exception of only a few. See website for list of short sale lenders that allow esigs.
- Short sale lenders will not pay broker admin fees as commission percentage is pre-determined by mortgage investor and is not negotiable. Government loans pay 6% commission and some private investors pay 5% and some 6%. In those cases, neither buyer's broker, nor seller's broker can collect the broker admin directly from their client outside of closing either.
- In cases of single agent dual agency (same agent representing buyer and seller), commissions may possibly be reduced below 6% depending on seller's loan type.
- If buyer is also agent representing themselves, no buyer broker commission is allowed to be paid in almost all short sales.
- If buyer's agent is related to buyer or seller's agent is related to seller, they may not be able to earn a commission on the sale depending on seller's loan type. Contact MZ Law to find out if this applies on your specific short sale.

LISTING AGENT PROCEDURES

- **Have seller schedule consult with Markve & Zweifel** by visiting calendly.com/shortsaleconsult to schedule no charge consultation with attorney prior to or at time of listing. Contact seller after consultation to confirm they will be retaining MZ Law.
- **Prior to listing**, obtain information from seller regarding number of mortgages, servicers names, type of first mortgage, first mortgage investor, foreclosure status, HOA information if applicable (see page 10). This is information listing agent must know.
- **Obtain a copy of the ledger from the HOA** if there is an HOA on the property. The ledger is a list of everything billed from the HOA to the property and shows what has been paid and/or not paid.
- **Marketing of property:**
 1. List property at fair market value as determined by your CMA
 2. Add MZ Law Buyer Information and Short Sale Offer Instructions as required MLS supplements (see pages 12-16)
 3. Reduce list price approximately 3% twice a month or as market indicates until offer is received
- **Encourage seller to return short sale package** financial information to MZ Law as soon as possible so file is complete when offer received.
- **Have seller watch their mail for foreclosure notifications.** If seller receives notification of sheriff sale scheduled, contact MZ Law immediately. If seller occupies the property, they can and should postpone the sheriff sale. (see pages 18-21)
- **Negotiation of offer with buyer:**
 1. Hand signatures required, no electronic signatures allowed unless confirmed with our office that esignatures are allowed by the lender
 2. If buyer's offer is not at fair market value, counter at time of purchase agreement
 3. Confirm buyer has not asked for closing costs to be paid by seller in excess of what seller's lender will allow (see table on page 11)
 4. Fees not allowed by short sale lender: well tests and septic certification, home warranties, appraiser's reinspection fees, lender processing fees, lender work orders. Make sure buyer is not requesting seller pay any of these.
 5. As is addendum is required
 6. Short sale contingency addendum is required:
 - a. Line 15. Minimum 90 days for approval process allowed
 - b. Line 21. Require earnest money be deposited at time of purchase agreement
 - c. Line 25. Require inspection completed at time of offer and contingency removed before forwarding offer to MZ Law to begin approval process.

- **Submit offer to MZ Law:**
 1. Confirm all documents are full size, legible and fully executed. Check for the following:
 - a. Hand signatures only
 - b. All dates filled in where requested
 - c. Full address including street, city, state, and zip listed everywhere requested
 - d. Correct and legal seller and buyer names
 - e. Printed names where requested
 - f. Final acceptance date filled in
- Email the following documents to the assigned Legal Assistant :
 - a. Buyer pre-approval letter (must state purchase price and loan amount)
 - b. Buyer's proof of down payment funds. This must be copy of actual bank statement showing buyer's name, bank name, and balance sufficient to cover down payment
 - c. Legible and fully executed purchase agreement
 - d. Listing agreement fully executed with no dates or signatures missing
 - e. MLS sheet (adjust list price to match buyer's offered price before sending Buyer's information sheet fully executed (see page 16)
 - f. Purchase agreement cover sheet fully executed (see page 17)
 - g. HOA ledger if applicable
- **Make sure you communicate any condition issues** that adversely affect the property value to short sale lender's bpo agent and/or appraiser BEFORE they submit their value back to short sale lender. (See page 22)
- **Update buyer's agent weekly** with the updates we provide you on the status of the approval process.
- When MZ Law asks for additional documentation required by short sale lender through the approval process, make sure to **provide promptly**.
- **Once short sale is approved**, MZ Law will provide notification of the approval, copies of approval letters and closing company contact information to seller, listing agent, buyer's agent and loan officer. MZ Law will forward the purchase agreement, approval letter(s) and all applicable documentation to our contract closer. Contact the closing company to get closing scheduled and make sure closing is scheduled prior to date required on short sale approval. Availability of extensions of short sale approvals are never guaranteed.

MARKVE & ZWEIFEL PROCEDURES IN SHORT SALE PROCESS

- **Attorney consultation with seller.** Attorney confirms seller short sale eligibility. Seller mortgage information obtained, judgment search obtained, foreclosure status checked, and file opened.
- **Law firm emails seller retainer agreement and short sale package** for completion by seller.
- **Law firm receives offer from agent.** MZ Law orders updated title work, special assessment search, and notifies seller and listing agent of additional documentation needed to complete the file.
- **Once file is complete, it is forwarded to Legal Assistant (L/A).** L/A familiarizes herself with seller's financial situation, prepares preliminary HUD1 and submits short sale to lender(s).
- **L/A communicates with lenders** consistently and provides short sale approval process status update to listing agent weekly.
- **L/A escalates to short sale lender management** if lender is not following normal time lines and procedures during approval process.
- **Once approval is received,** attorney reviews approval to confirm waiver of deficiency and terms in seller's best interests. Seller is contacted to confirm they wish to close based on approval terms.
- **L/A forwards complete file** including approvals and purchase agreement to law firm's contract closer to begin closing preparation.
- **L/A sends copy of approvals,** required closing date information, and title company contact information to seller, listing agent, buyer's agent and buyer's loan officer.
- **L/A obtains final hud approval** from short sale lenders three days prior to closing and notifies title company when we have obtained the short sale lender's "clear to close."

LENDER'S PROCEDURES IN SHORT SALE APPROVAL PROCESS

- **Set-Ups (3-5 days)** – The file is received at the lender, imaged into their systems under the proper loan number, then scheduled to be assigned.
- **Processor assigned** – The processor reviews the documents for accuracy and completeness. Once file is deemed complete, it is assigned to an underwriter for seller eligibility review.
- **Underwriting team** – Reviews seller's financial information to confirm seller is eligible for short sale under that investor's guidelines. Title work and property appraisal is ordered.
- **Negotiator is assigned** – Once the lender confirms seller eligibility, negotiator will then review the buyer's offer in comparison with the property appraisal to determine if the buyer's offer meets the investor requirements for short sale approval. If the offer meets investor's requirements for short sale approval, based on appraisal value, negotiator will forward the file to investor for approval. If the negotiator finds the buyer's offer does not meet the Investor's guidelines, the negotiator will counter the offer. If buyer accepts the lender's counteroffer, the negotiator then submits the file to investor for final approval.
- **Investor** – The file is submitted to the Investor for final review and approval decision. Their process can take one to two weeks to approve.
- **Quality Control** – once investor has approved, file is forwarded to quality control department for final check over and permission for approval letter to be issued.
- **Approval issued** – Negotiator drafts and issues the approval and sends file internally at the lender to have a closing officer is assigned.
- **Closing** – Closing officer reviews final hud to make sure all fees allowable and match approval letter then issues the final hud approval and "clear to close."

LENDER PROGRAMS OFFERING CASH TO SHORT SALE SELLERS

ALL PROGRAMS PROVIDE FULL WAIVER OF DEFICIENCY
ALL PROGRAMS REQUIRE OWNER OCCUPANCY
BELOW IS A LIST OF PROGRAMS CURRENTLY AVAILABLE

1. **FANNIE MAE OR FREDDIE MAC** conventional mortgages: At closing, the seller will receive **\$7,500** relocation assistance from FNMA or Freddie Mac providing seller meets certain financial hardship criteria. Property must be owner occupied at the time the short sale is approved to receive the relocation assistance funds.
1. **FHA MORTGAGES**: If seller's mortgage is FHA, property is owner occupied, and they have no 2nd mortgage on the property, seller will receive **\$3,000** in FHA short sale incentive providing seller has less than \$5,000 cash assets. If there is a 2nd mortgage on the property, seller's incentive is used as part of the payment to the 2nd mortgage for release of lien.
2. **VA MORTGAGES**: If seller's mortgage is DVA and property is owner occupied at time short sale is approved, seller will receive **\$1,500** relocation assistance funds at the closing providing seller meets required financial hardship criteria.
3. **PRIVATE INVESTOR CONVENTIONAL MORTGAGES**: (non-Fannie Mae, non-Freddie Mac). Some conventional mortgage private investors may consider payment of up to **\$3,000** relocation assistance funds at closing for qualifying homeowners when property is owner occupied.

**INFORMATION EVERY SHORT SALE LISTING AGENT
NEEDS FROM SELLER PRIOR TO LISTING**

Seller legal name _____

Phone _____ **Email** _____

Seller legal name _____

Phone _____ **Email** _____

Property address _____

Lender(s): 1st mtg _____ **2nd mtg** _____ **3rd mtg** _____

Is 1st mortgage conventional, FHA, VA, or USDA? _____

Who is the investor on your first mortgage? (call ss lender and ask) _____

Are the mortgages current or in default? _____

Have you received "Notice of Foreclosure" from lender's attorney? _____

Has a sheriff sale occurred or been scheduled? _____ **If so, when?** _____

Are you aware of any state or federal tax liens attached to the property? _____

Are you aware of any judgments filed against you? _____

Homeowner's Association (if applicable):

Association name _____

HOA management name _____

HOA phone _____ **HOA fax** _____

Monthly HOA dues amount _____ **Month/year dues last paid** _____

Investor guidelines are subject to change and adherence to guidelines can vary depending on servicer. Investors will not pay for lender work orders, home warranties, re- inspections fees, septic tests, property repairs, nor will they allow escrows from their sale proceeds, so
DON'T ASK FOR THEM ON THE PURCHASE AGREEMENT!

Seller' mortgage type	Seller concessions	Commission	Post sheriff sale approvals	Default requirements
FHA	3% for FHA, USDA, VA buyers. 0% for others	Six percent	No	Yes
VA	3% for FHA, USDA, VA buyers. 0% for others	Six percent	No	Yes
USDA	3% for FHA, USDA, VA buyers. 0% for others	Six percent	No	Yes
FNMA Conventional	3% for FHA, USDA, VA buyers . 0% for others	Six percent	No	Homeowner must be in default or situation shows that default is imminent
Freddie Mac Conventional	3% for FHA, USDA, VA buyers. 0% for others	Six percent	No	Homeowner must be in default or situation shows that default is imminent
Conventional Private Investor	3% for FHA, USDA, VA buyers. 0% for others	5 or 6 percent	No	Homeowner must be in default or situation shows that default is imminent
2nd mortgage	Max 3% considered for any financing buyer	5 or 6 percent	Yes, likely, if only 2 nd mtg is being shorted	No

SHORT SALE OFFER INSTRUCTIONS

*****PLEASE READ ENTIRE ADDENDUM AND MAKE SURE
BUYER UNDERSTANDS EVERY DETAIL*****

**THIS ADDENDUM MUST BE SUBMITTED WITH PURCHASE AGREEMENT.
BY SIGNING AND INITIALING THIS ADDENDUM, I AGREE THAT I HAVE
READ, UNDERSTOOD, AND AGREE TO ALL TERMS OF THIS ADDENDUM.**

Where and how to submit the offer:

- Offers shall be submitted via email.
- Offer must include:
 1. **No electronic signatures allowed!** (Hand signatures only!)
 2. Buyer pre-approval letter (must include purchase price and loan amount)
 3. Buyer proof of funds for down payment
 4. Short sale contingency addendum
 5. Buyer's as-is addendum
 6. Short Sale Offer Instructions addendum signed by all parties

PLEASE REMEMBER: This is a short sale. Seller will receive no net proceeds from the sale. Therefore, seller will not contribute any expense to the transaction.

IMPORTANT – ABOUT OFFERS: Only one offer will be submitted to the lender for approval. All other offers will be back up offers and will only be submitted to lender if first offer is rejected or cancelled.

- Earnest money must be delivered to listing agent within 48 hours of seller's acceptance of purchase agreement. Earnest money will be deposited but will be refunded to buyer if seller's lender does not approve the short sale.
- The buyer is required to do their inspection **before** offer is presented to seller's lender. This allows buyer to amend their offered price as a result of the inspection if necessary. If buyer did inspection after short sale approval, they cannot amend purchase price due to inspection results so inspection is required at time of purchase agreement.
- All offers must include the following language on line 467: "Purchase agreement is subject to lender approval at terms acceptable to the seller."
- Closing date: Please be advised it will take a **minimum** of 60 days and can take 90 days or longer for lender to make a decision regarding the offer. Please use the following verbiage for the closing date: "**within 30 days of written lender approval.**" Do not enter an actual date for the closing.

BUYER(S) INITIALS _____ BUYER'S AGENT INITIALS _____

- This is an AS-IS sale. No repairs will be made to the property by the seller or seller's lender. If either inspector or appraiser recommends or requires repairs, and buyer still wants to close on the property, all repairs will be at the expense of the buyer. If the property has been winterized, any dewinterizing for inspection, appraisal, or closing will be at the buyer's expense. In areas where a housing inspection is required by a governmental authority, please include the following language... "all code compliance issues along with any time lines (completion compliance) in the municipal inspection report, if any, will be assumed by and be the responsibility of the buyer." Any well and/or septic tests must be at the expense of the buyer.
- Remember, this is a short sale and seller's lender pays seller's closing costs. Seller or their lender will not pay for any of the following: well & septic tests, home warranties, appraiser's reinspection fees, lender processing fees, or lender work orders. Do not ask for them to be paid by seller on the purchase agreement.
- Seller concessions to buyer closing costs:
Short sale lender will consider paying up to a maximum of 3% for FHA, VA, USDA, or minimum down payment conventional buyers. Short sale lender will pay \$0 closing costs for 20% down conventional funding buyers or cash buyers.
Do not ask for more than lender allowable seller concessions on the offer.
- Short sale contingency addendum:
Line 15 date must allow 90 days for short sale approval
Lines 21 and 25 CANNOT be checked. Buyer must deposit earnest money and remove inspection contingency BEFORE offer is submitted to lender.
- Follow-up process: A full short sale package will be compiled and submitted to seller's lender(s). This process can take a few days from the time that final signatures are received. Our short sales are negotiated by a local law firm with professional short sale negotiators on staff. It can take two to three weeks in many cases to get the first substantial progress update from the seller's lender. The law firm will provide listing agent with weekly updates from that time regarding the status of the short sale. Listing agent will forward those updates to buyer's agent upon receipt. **Please counsel your buyers that short sales take time but that they will be kept informed of the progress throughout the process.**

BUYER(S) INITIALS _____ BUYER'S AGENT INITIALS _____

- Title company: Seller's title company is highly experienced in the critical details regarding short sale closings. Buyer has the option to choose the title company of their choice. However, buyer is aware it is **likely in their best interests** to choose seller's title company for the following reasons:

If buyer chooses to use seller's title company to close their side of the transaction:

1. Seller's title company will order title work at time of purchase agreement. In the event of any title issues that would prohibit closing, it allows time for those issues to be resolved during the short sale approval time period. If title issues are discovered that cannot be resolved and prohibit closing, all parties will be informed promptly and purchase agreement can be canceled.
2. If there are any title fees for **buyer** not allowed to be paid from sale proceeds as determined by seller's lender, those fees will be waived by seller's title company.

If buyer chooses to use a title company other than seller's title company:

1. Title work will may not be ordered until after short sale approval. If there are title issues discovered that prohibit closing, it may be too late to resolve, closing may be delayed or canceled, and buyer has waited and lost 2-3 months in the process.
2. If buyer's title company charges any fees that are not approved to be paid from sale proceeds, they **will be at the expense of the buyer**. This is not an uncommon occurrence.
3. If buyer's title company or buyer's lender cannot close the transaction by deadline on short sale approval letter, any per diem costs imposed by seller's lender **will be at the expense of the buyer**.

Buyer initial one:

_____ Buyer chooses to use seller's title company to close their side of the transaction.

_____ Buyer chooses to use title company other than Seller's title company to close their side of the transaction

We, the buyer(s) and buyers' agent have read, understand, and agree to all terms of this addendum. We agree that this addendum supersedes all other terms of the purchase agreement.

Buyer signature _____ Date _____

Buyer signature _____ Date _____

Buyer's agent signature _____ Date _____

Seller signature _____ Date _____

Seller signature _____ Date _____

Listing agent signature _____ Date _____

BUYER'S INFORMATION SHEET
SELLER'S LENDER REQUIRES THE FOLLOWING INFORMATION. INCLUDE THIS
COMPLETED FORM WITH PURCHASE AGREEMENT

Individual Buyer #1:

Name as it appears on purchase agreement

Address (street, city, state, and zip)

Email Address

Phone Number

Individual Buyer #2:

Name as it appears on purchase agreement

Address (street, city, state, and zip)

Email Address

Phone Number

If Corporation or LLC Buyer:

Name as it appears on purchase agreement

Address (street, city, state, and zip)

Name of person signing for corporate buyer:

EIN or TIN

-

Phone

Buyer's agent:

Name

Company name

Company address (street, city, state & zip code)

Phone

Email

Buyer's lender info:

Loan officer name

Company name

Phone

Email

Quoted interest rate

Buyer's title company: ☐ check here if using seller's title company

Closer name

Company name

Phone

Email

PURCHASE AGREEMENT COVER SHEET

Property address

Street

city

zip

Seller's legal name(s)

Purchase agreement offered price

Seller paid closing costs (\$ amount, not %)

Listing commission (%)

Listing agent

Company

Listing agent phone

Email

Buyer's name(s)

Buyer's agent

Company

Buyer's agent phone

Email

Loan Officer

Company

Loan officer phone

Email

Buyer's title company

Phone

HOA monthly dues

HOA Resale Disc. Cert. Cost

HOA mgmt co

Phone

Markve and Zweifel, PLLC

Attorneys at Law

Re: Information regarding short sale negotiation and the foreclosure redemption period

Recently we have seen a growing number of short sale lenders who will not approve the short sale of a property when a property is in the redemption period. The redemption period is part of the mortgage foreclosure process and is the time period that runs after a sheriff's sale has occurred concerning that property.

Those lenders/investors who will not do a short sale in the redemption period include, but may not be limited to FHA and VA mortgages and conventional mortgages with Freddie Mac as the investor. We have also discovered that other lenders, who may offer some incentive money to the homeowner under the lender's short sale programs, will not pay that incentive money if the property is in the redemption period.

Thus, we are encouraging certain clients to take action to postpone a pending sheriff's sale so that the property does not enter the redemption period. Homeowners who occupy a property that is homesteaded for property tax purposes are allowed under Minnesota law to force a pending sheriff's sale to be postponed. This postponement can be done once by the homeowner.

Attached are instructions that you the homeowner can follow to postpone a sheriff's sale along with the required affidavit form. The full process for postponement must be completed at least 15 days before the scheduled sheriff's sale.

Postponing the sale through this process will postpone the sheriff's sale for 5 months, however, it will reduce the redemption period to 5 weeks. There can be some pros and cons to postponing a sale. IN SOME CASES IT MAY NOT BE IN YOUR BEST INTEREST TO POSTPONE THE SHERIFF'S SALE. This information is provided to you for information purposes only. If you have questions or concerns about whether postponing a sheriff's sale is in your best interest, please schedule a consultation with one of our firm's attorneys.

INSTRUCTIONS TO POSTPONE SHERIFF'S SALE

To postpone a Sheriff's Sale, the property must be owner occupied and classified as homestead and be one to four units. Also, the first publication of the Sheriff's Sale must have occurred AND the postponement process must be completed at **least 15 days before the scheduled Sheriff's Sale.**

To postpone a sale, you must complete all of the following steps:

1. Sign the postponement affidavit in front of a notary.
2. Record the postponement affidavit at the county recorder or registrar of titles where the mortgage was recorded. You may want to check with your county's recorder to determine how they handle these affidavits. Some will record the original and then mail it back to you. Other counties will allow you to bring a copy of the affidavit or additional affidavits with original signatures which then can be stamped upon recording and taken with you that same day to complete the process below. It might be a good idea to sign an extra couple copies when you sign the affidavit, depending on how your county recorder handles this process.

Note: fees are required for recording the affidavit; fees vary by county but expect about \$45 - \$50.

3. File a copy of the affidavit showing the date and office in which it was recorded with the sheriff conducting the sale. Include a copy of the Notice of Mortgage Foreclosure Sale. Contact the Sheriff's Office in your county to determine the process and any fee.
4. Deliver a copy of the affidavit showing the date and office in which it was recorded to the attorney conducting the foreclosure. Include a copy of the Notice of Mortgage Foreclosure Sale. Contact the foreclosure attorney to determine acceptable method of deliver (in person, mail and/or fax.)
5. Confirm receipt of the copies and the actual new sale date with the Sheriff's Office and the foreclosure attorney.

Other facts to know about postponing the Sheriff's Sale:

- The lender and foreclosure attorney are not required to publish notice or serve you with additional information about the change in the Sheriff's Sale or the date the redemption period ends.
- Postponement can only be done once, regardless of whether you bring the mortgage current or not.

(Top 3 inches reserved for recording data)

AFFIDAVIT OF POSTPONEMENT
Minn. Stat. 580.07

Minnesota Uniform Conveyancing Blanks
Form 60.8.1 (2011)

State of Minnesota, County of _____

(whether one or more, "Owner"), being first duly sworn on oath, states as follows:

He is the owner or mortgagor of the real property (the "**Property**") situated in _____ County,
(Insert name of county)

1. Minnesota, legally described in the attached published Notice of Mortgage Foreclosure Sale (the "**Notice**"), and makes this affidavit for the purpose of postponing the foreclosure sale of the Property pursuant to Minnesota Statutes, section 580.07, subdivision 2, for five months from the date scheduled in the attached Notice if the original redemption period is six months, or for 11 months if the original redemption period is 12 months.

2. The Property is classified as homestead under Minnesota Statutes, section 273.124, is occupied by the Owner as a homestead, and is improved with not more than four dwelling units.

3. Owner has elected to shorten the Owner's redemption period from any foreclosure sale of the Property to five weeks in exchange for the postponement of the foreclosure sale for five months if the original redemption period was six months, or for 11 months if the original redemption period was 12 months.

Check here if all or part of the described real property is registered (Torrens) ☐

Owner

(signature)

(signature)

Note: The published Notice of Mortgage Foreclosure Sale must be attached to this document and recorded in order for it to be enforceable.

Note: After recording, Minn. Stat. 580.07 subd. 2 requires that a copy of this recorded affidavit be filed with the County Sheriff and delivered to the attorney foreclosing the mortgage.

Signed and sworn to before me on _____, by _____
(month/day/year)

(Insert name(s) of person(s) making statement)

(Stamp)

(signature of notarial officer)
Notary Public, Minnesota
My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

If a bad bpo or appraisal is submitted to seller's lender, it is impossible to challenge the value after the fact. It is imperative that you do all you can to make sure bpo agent and/or appraiser has all pertinent information regarding physical condition of the property, neighborhood, etc. that adversely affects the value of that property.

WHAT YOU CAN DO TO INCREASE THE ODDS FOR A "FAIR" APPRAISAL VALUE

- 1. When seller accepts offer, immediately lower list price in MLS to match buyer's offered price.**
BPO agent and/or appraiser will have comps available in wide range of values. They commonly try to hit list price. If bpo agent or appraiser submits value less than list price, many investors require they have to add additional data, or sometimes even re-do the bpo. It is for that reason the bpo agent will take your list price into consideration.
- 2. When a short sale offer has been submitted to seller's lender, require that all future showings must be confirmed with only you.**
This is how you will know bpo agent or appraiser is entering the property. When bpo agent or appraiser contacts you for access, tell them all pertinent information regarding property condition before you give them lockbox combination.
- 3. Leave a packet of information in the property marked clearly that it is for the bpo agent and/or appraiser to take with them.**
 - a. Copy of current mls printout showing list price same as offered price
 - b. Copy of inspection report (especially when negative inspection results limit value)
 - c. Copy of "book-a-showing" feedback reports that show agent's opinion of price as "above market."
 - d. Pictures of condition problems that adversely affect the value
 - e. Copies of any applicable bids for necessary repairs
 - f. Cover letter explaining market time, price reductions, and explanation of negative condition issues that adversely affect the value

Remember that bpo agent or appraiser may not be familiar with subject property's market area. It is important that listing agent inform them of any issues that adversely affect the property value.