

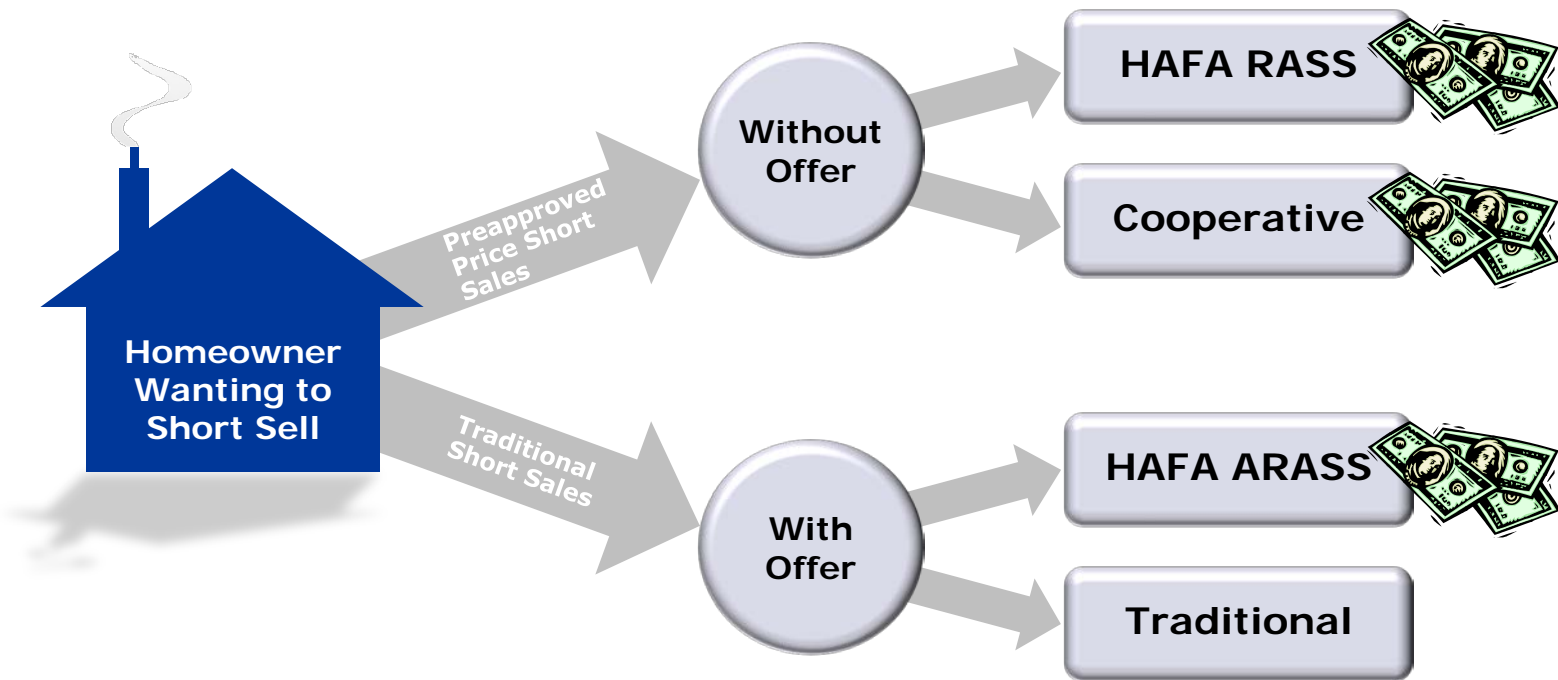
Two Paths to a Successful Short Sale

A Guide for Real Estate Agents

January 2013

Two Paths to a Successful Short Sale

Homeowners Have Two Paths to Complete a Short Sale



During the short sale process, loan servicing may be transferred to a different loan servicer. Servicing refers to collecting principal, interest, and escrow payments, if any, as well as sending monthly or annual statements, tracking account balances, and handling other aspects of the loan. We may assign, sell, or transfer the servicing of a loan at any point while the loan is outstanding. Your client will be given advance notice before a transfer occurs. Depending on the status of the short sale when the servicing of a loan is transferred, the new servicer may not be required to accept the terms and conditions of a short sale.

Initiating Before There Is an Offer



Numerous Benefits

Initiating a short sale before there's an offer provides numerous benefits ***if the homeowner qualifies*** for a preapproved price short sale.

Homeowner Benefits

- Relocation assistance.
 - Some homeowners may qualify for enhanced relocation assistance up to \$30,000.*
- Deficiency may be waived.
 - The mortgage debt may be settled through the program.
- Cash contributions or promissory notes may not be required.
- Foreclosure hold, if applicable.
(Subject to specific conditions.)
- Faster decisions – as few as 10 business days once an offer is submitted.
(HAFA only. For other preapproved price short sales, the time may vary.)

Agent Benefits

- Suggested list price is provided before marketing the home.
- Most elements of the short sale process are addressed upfront (including commission) rather than at the end.

* Specific investor participation and eligibility criteria apply. Short sales with an offer may also earn relocation assistance of \$3,000 if the homeowner qualifies for HAFA With Offer.

Two Paths to a Successful Short Sale

Path No. 1: Initiating *Before* There Is An Offer

The steps involved when you initiate a short sale before you have an offer.

Initiation	1. Initiate short sale and begin negotiating any 2nd liens not serviced by Bank of America.
Borrower Outreach	2. Complete the Upload the Bank of America Third-Party Authorization Form and Borrower Contact Information tasks.

If the homeowner qualifies for a preapproved price short sale, continue to...

Document Collection/ Valuations	3. Upload required documents to the Equator Library within 14 calendar days. Notify the short sale specialist when you have mailed and uploaded the signed Short Sale Agreement . Also complete the Home Owner's Document Collection and Financial Information tasks. Coordinate access to the property so the valuation can occur.
Marketing	4. List and promote the property to potential buyers for up to 120 calendar days.
Offer Submission	5. Submit the short sale offer and supporting documentation. You will be required to upload the following documents: Signed Purchase Contract – with Bank of America Buyer's Acknowledgement and Disclosure Form , Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification , Estimated HUD-1 (prorated for 60 days), IRS Form 4506-T .
Offer Analysis	6. Come to an agreement with the investor on terms of offer and determine closing date. All counter offers expire in 3 days. You must respond prior to the offer expiration date or the short sale may be rejected.
Closing	7. Complete the short sale by the date noted in the approval letter.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 1: Initiation

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Determine if a short sale is the best option for the homeowner to avoid foreclosure.• Initiate the short sale at agent.equator.com, completing all required fields.• Work with the homeowner to identify all liens and begin efforts to obtain their release.		<ul style="list-style-type: none">• The homeowner may call Short Sale Customer/Agent Care at 1.866.880.1232 if they have questions about the short sale process or wish to initiate the process themselves.• Identify all liens and begin efforts to obtain their release.
About Equator: To set up a free account, register at agent.equator.com		

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 1: Initiation

Agent Role

- Determine if a short sale is the best option for the homeowner to avoid foreclosure.
- Initiate the short sale at agent.equator.com, completing all required fields.
- Work with the homeowner to identify all liens and begin efforts to obtain their release.

About Equator: To set up a free account

Short sale as an option to avoid foreclosure

- Confirm that the homeowner is experiencing documented financial hardship, can no longer afford the current monthly mortgage payment and is willing to vacate the property.
- Verify the amount owed on the property (liens as well as the mortgage) is more than the home is worth.
- Educate the homeowner on the short sale process. Confirm that the homeowner will provide the required documentation and will cooperate in maintaining the property for showings.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 1: Initiation

Agent Role

- Determine if a short sale is the best option for the homeowner to avoid foreclosure.
- Initiate the short sale at agent.equator.com, completing all required fields.
- Work with the homeowner to identify all liens and begin efforts to obtain their release.

About Equator: To set up a free ad

Get outside liens released as soon as possible

- The homeowner and the agent are responsible for:
 - Identifying all liens.
 - Obtaining a release of any non-Bank of America liens.
- Begin discussions with outside lien holders quickly.
 - This helps you resolve issues before they delay the overall Process.
- Bank of America does **not** run a title search to identify other liens.
- If the homeowner has a Bank of America Home Equity Loan/Line of Credit:
 - There's a separate process for obtaining a release.
 - Home equity expertise is required.
 - Talk with your short sale specialist about contacting Bank of America Home Equity or call the Customer Service number on the monthly statement.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 2: Borrower Outreach

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Complete the Upload Third-Party Authorization task. Only the Bank of America Third-Party Authorization Form will be accepted.*• Complete the Borrower Contact Information task.• If you receive a “HAFA Action Required” message in Equator, the homeowner must call Customer/Agent Care (1.866.880.1232) within 14 calendar days to keep the process moving. The process will not move forward until contact with the homeowner has been made.	<ul style="list-style-type: none">• Review Third-Party Authorization.• Determine which short sale program is best suited to the homeowner’s situation.• Contact the homeowner, if eligible for a preapproved price short sale.	<ul style="list-style-type: none">• If initiated by the agent in Equator and a “HAFA Action Required” message is received, the homeowner must call Short Sale Customer/Agent Care (1.866.880.1232) within 14 calendar days to keep the process moving.

* The Bank of America Third-Party Authorization Form can be found on the Short Sale Agent Resource Center at bankofamerica.com/shortsaleagent.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 2: Borrower Outreach

The homeowner may be eligible for a preapproved price short sale if:

- The homeowner has exhausted all modification options and/or decided to pursue a short sale or deed in lieu of foreclosure.
- Additional HAFA-only qualifications:
 - The property is the homeowner's primary residence. (Exceptions: It can be vacant or rented up to 12 months prior to Short Sale Agreement if it was the homeowner's primary residence.)
 - The mortgage originated on or before 1-1-2009 (for the 1st lien), is delinquent or default is reasonably foreseeable, and there's an unpaid principal balance less than \$729,750 for a 1-unit property. (Higher balances are available for 2-4 unit properties.)

Bank of America Role

- Review Third-Party Authorization.
- Determine which short sale program is best suited to the homeowner's situation.
- Contact the homeowner, if eligible for a preapproved price short sale.

Homeowner Role

- If initiated by the agent in Equator and a "HAFA Action Required" message is received, the homeowner must call Short Sale Customer Care (1.866.880.1232) within 14 calendar days to keep the

What happens if the homeowner does *not* qualify for a preapproved price short sale?

- The homeowner and the agent will be notified.
- The Equator record will be closed.
- The agent and the homeowner should market the property.
- The agent should initiate a new short sale in Equator when there is an offer on the property. See [Page 19](#).

* The Bank of America Third-Party Authorization Form can be found on the Short Sale Agent Resource Center at bankofamerica.com/shortsaleagent.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 3: Document Collection/Valuations

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Contact your short sale specialist to determine if any homeowner documents are required. (Agents will not receive a task for this in Equator.)• Complete the Home Owner's Document Collection and Financial Information tasks within four calendar days.• If requested, respond to your short sale specialist's request to assist with the valuation.• Review the Short Sale Agreement (SSA) with the homeowner.• Sign the SSA and upload a copy to the Equator Library under Property Files. Notify your short sale specialist when the SSA has been uploaded.	<ul style="list-style-type: none">• Assign a short sale specialist, who will be the principal contact for the agent and the homeowner.• Determine the required homeowner documents.• Determine the home's value. Order the home valuation (through an independent third party to prevent fraud). Depending on the investor, we may need an updated value every 90-120 days.• Order additional internal information.<ul style="list-style-type: none">– Review loan status and payoff information.• Prepare and deliver the SSA to the homeowner. This agreement includes the recommended list price and minimum net proceeds determined by Bank of America.	<ul style="list-style-type: none">• Work with the agent to submit any required documents. Provide the required homeowner documents within four calendar days.• Coordinate access to the property, if needed.• Receive, sign and return the original SSA, as instructed. Ensure the agent has a copy to upload to the Equator Library.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 3: Document Collection/Valuations

Agent Role

- Contact your short sale specialist to determine if any homeowner documents are required. (Agents will **not** receive a task for this in Equator.)
- Complete the **Home Owner's Document Collection** and **Financial Information** tasks **within four calendar days**.
- If requested, respond to your short sale specialist's request to

This deadline is critical

If the required documents are not uploaded on time, the short sale process will not proceed.

Bank of America Role

Your short sale specialist determines all investor-required documents

Depending on the investor, these may include:

- Two most recent months' bank statements for the homeowner(s)
- Two most recent pay stubs (or income/expense reports, if self-employed) for the homeowner(s)
- IRS Form 4506-T, Request for Tax Return, specifying homeowner tax returns for the past two years
- Signed hardship letter
- Dodd-Frank Certification

Prepare and deliver the SSA to the homeowner. This agreement includes the recommended list price and minimum net proceeds determined by Bank of America.

Homeowner Role

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 4: Marketing

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Complete the Listing Data task within three calendar days.• Post the property in your area's Multiple Listing Service.• Advertise the property and conduct open houses, as needed.• Complete the Marketing Description task as prompted by Equator every 21 calendar days.• Continue working to obtain release of outside liens.	<ul style="list-style-type: none">• Perform 21-day check-ins on marketing activity and property condition.• Review the suggested list price as warranted by the marketing response.	<ul style="list-style-type: none">• Show and maintain the property.• Continue to work with the agent to obtain the release of outside liens.
<p>If there is no offer within the 120-day marketing period, the homeowner may be eligible for a deed in lieu of foreclosure per the Short Sale Agreement and Treasury guidelines. (HAFA only. For other preapproved price short sales, details vary.)</p>		

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 5: Offer Submission

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Submit the offer in Equator. You can submit an offer any time during the marketing period by clicking on Place a New Offer in the Equator dashboard under My Properties & Offers.• Complete the Submit Short Sale Offer and Upload Initiation Documents tasks. You will be required to upload the following documents*:<ul style="list-style-type: none">– Signed Purchase Contract – with Bank of America Buyer's Acknowledgement and Disclosure Form*– Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification*– Estimated HUD-1 (prorated for 60 days)– IRS Form 4506-T	<ul style="list-style-type: none">• Respond to the offer within 10 business days. <i>(HAFA only. For other preapproved price short sales, timelines vary.)</i>	<ul style="list-style-type: none">• Work with the agent to submit the Request for Approval of Short Sale (RASS) and other documents, if applicable. <i>(HAFA only. For other preapproved price short sales, details vary.)</i>

* Bank of America Buyer's Acknowledgement and Disclosure Form and the Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification can be found on the Short Sale Agent Resource Center at bankofamerica.com/shortsaleagent.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 6: Offer Analysis

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• All parties agree on a short sale offer price that is likely to be approved by investors.• All counter offers expire in three calendar days. You must respond before the offer expiration date or the short sale may be rejected.<ul style="list-style-type: none">– If there are any changes to the offer and/or the HUD-1, complete the Upload Updated HUD task to reflect current offer details; negotiate external third-party fees prior to HUD-1 submission.– Adjust the closing date, if necessary.• Communicate any stipulations or changes, if needed, to seller/buyer.	<ul style="list-style-type: none">• Analyze collected information.• Submit offer to mortgage insurers and investor(s), as needed.• Receive approval, decline, or renegotiate stipulations from investor(s).• Notify agent and seller of final decision from investor.	<ul style="list-style-type: none">• Work with the agent to finalize the offer.

A Closer Look at the Steps in the Process

Path No. 1: Initiating *Before* There Is an Offer

Step 7: Closing

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Close by the date noted in the approval letter.• Notify the closing officer of any post-approval sale changes or closing delays.• Complete the Is Closing on Schedule? task 5 days before closing.• Complete the Upload Preliminary Closing HUD task no earlier than five calendar days before scheduled close.• Complete the Upload Final Certified Docs task within three calendar days. The sooner the task is complete, the sooner you will move through the approval process.	<ul style="list-style-type: none">• Issue the approval letter.• Assign the closing officer.• Manage any post-approval changes.• Work with the agent and the title company to ensure sale closes by date indicated in approval letter.	<ul style="list-style-type: none">• Work with agent to understand the closing requirements and documentation needed.• Receive \$3,000 - \$30,000 in relocation assistance funds (paid after closing).*

* Specific investor participation and eligibility criteria apply.

Two Paths to a Successful Short Sale

Coming to us early results in benefits

	Initiating Without an Offer in hand... <i>"Preapproved Price Short Sale"</i>	Initiating With an Offer in hand... <i>"Traditional Short Sale Process"</i>
General Qualifications**	<ul style="list-style-type: none"> • HAFA- refer to HAFA Program guide • Other preapproved price short sales- investor participation varies 	Each homeowner's situation is considered separately by investors on whether or not a short sale will be allowed.
Timeline for Decisions After Offer Is Received	<ul style="list-style-type: none"> • HAFA - within 10 business days • Other preapproved price short sales- timeline varies 	2-7 weeks
Cash/Promissory Note	<ul style="list-style-type: none"> • HAFA – none • Other preapproved price short sales- waived for most customers* 	The investor/insurer may require
Deficiency Pursued	<ul style="list-style-type: none"> • HAFA – none • Other preapproved price short sales- waived for most customers* 	The investor/insurer may retain the right to pursue deficiency
Foreclosure Holds	<ul style="list-style-type: none"> • HAFA – Auto hold once Short Sale Agreement is executed • Foreclosure postponement for customers participating in Cooperative Short Sales can only be requested once there is an approved offer on the property (<i>Foreclosure postponement can be requested, but it is not guaranteed</i>) 	Requires investor approval
Suggested List Price	Provided	Not provided
Relocation Assistance	\$2,500 - \$30,000**	None***
Unsuccessful Short Sale	Optional deed in lieu of foreclosure	Optional deed in lieu of foreclosure

* For certain situations, states, and investors they may not waive deficiency or may require cash or promissory notes.

** Specific investor participation and eligibility criteria apply. Limited time offer for this enhanced assistance.

*** HAFA initiated with an offer is eligible for \$3,000.

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HAFA Short Sale Program

HAFA short sale program is most beneficial when started prior to marketing and offer.

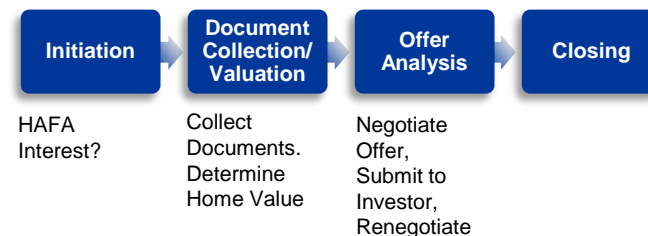
Initiating before offer...



If the homeowner already has an offer, they may still qualify for HAFA. However, the process may take longer.

- If homeowner is eligible for HAFA, the agent and homeowner will be notified.

Initiating after offer...



Go to:

[HAFA Defined](#)

[Enhancements](#)

[Investor Participation](#)

[With Offer vs. Without Offer](#)

[Equator Initiation](#)

[Key Actions for Agents](#)

Two Paths to a Successful Short Sale

What Happens If I Have An Offer?



Initiate a new short sale in Equator and complete the following steps:

Initiation	1. Initiate short sale. You will be required to upload the following documents: Signed Purchase Contract – with Bank of America Buyer's Acknowledgement and Disclosure Form , Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification , Estimated HUD-1 (prorated for 60 days), IRS Form 4506-T , Bank of America Third-Party Authorization Form . Begin negotiating any 2 nd liens not serviced by Bank of America.
Document Collection/Valuations	2. Complete the Submit Short Sale Offer task with the buyer's highest and best offer. Also complete the Home Owner's Document Collection and Financial Information tasks. Coordinate access to the property for valuation. Agent will be notified if the homeowner is eligible for HAFA program participation.
Offer Analysis	3. View the Offer Worksheet and complete Offer Needs Response under Workflow in Equator. All counter offers expire in three days. You must respond before the offer expiration date or the short sale may be rejected.
Closing	4. Complete the Is Closing on Schedule , Upload Preliminary Closing HUD and Upload Final Certified Docs tasks. Once you have uploaded the final certified documents, your tasks are complete.

We'll explain each step in greater detail...

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 1: Initiation

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Upon receipt of an offer, initiate the short sale. You must upload five documents for the short sale to progress:<ul style="list-style-type: none">– Signed Purchase Contract – with Bank of America Buyer's Acknowledgement and Disclosure Form*– Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification*– Estimated HUD-1 (prorated for 60 days)– IRS Form 4506-T– Bank of America Third-Party Authorization Form*• Begin negotiating the release of additional liens not serviced by Bank of America.	<ul style="list-style-type: none">• Assign a short sale specialist.• Review Initiation documents.• Review homeowner for all eligible short sale programs.	<ul style="list-style-type: none">• Identify all liens and begin working to obtain their release.

About Equator: To set up a free account, register at agent.equator.com

* The Bank of America Buyer's Acknowledgement and Disclosure Form, Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification, Estimated HUD-1 (prorated for 60 days), Bank of America Third-Party Authorization Form can be found on the Short Sale Agent Resource Center at bankofamerica.com/shortsaleagent.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 1: Initiation

Agent Role

- Upon receipt of an offer, initiate the short sale. You must upload five documents for the short sale to progress:

- Signed Purchase Contract – with Bank of America **Buyer's Acknowledgement and Disclosure Form***

- Bank of America **Short Sale Purchase Contract Addendum & Real Estate Licensee Certification***

- **Estimated HUD-1** (prorated for 60 days)

- IRS Form **4506-T**

- Bank of America **Third-Party Authorization Form***

- Begin negotiating the release of additional liens not serviced by Bank of America.

Bank of America Role

Homeowner Role

Remind The Buyer and the Buyer's Agent That:

- There must be a commitment from the buyer to purchase the property.*
- Their contact is the listing agent, not Bank of America.
 - Bank of America cannot divulge any information about the short sale. This is to protect the privacy of the homeowner.
 - You should communicate regularly with the buyer and the buyer's agent throughout the process to keep them engaged.

☐ Tip: Cultivate a Backup Offer

- Even when you have a potential buyer, don't stop marketing the property.
- It can be useful to have a backup offer available in case the first buyer walks.
- See [Page 39](#) for more information.

About Equator: To set up a free account, register at [equator.bankofamerica.com](#)

* The Bank of America Buyer's Acknowledgement and Disclosure Form, Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification, Estimated HUD-1 (prorated for 60 days), Bank of America Third-Party Authorization Form can be found on the Short Sale Agent Resource Center at bankofamerica.com/shortsaleagent.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 1: Initiation		
Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">Upon receipt of an offer, initiate the short sale. You must upload five documents for the short sale to progress:<ul style="list-style-type: none">Signed Purchase Contract – with Bank of America Buyer's Acknowledgement and Disclosure Form*Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification*Estimated HUD-1 (prorated for 60 days)IRS Form 4506-TBank of America Third-Party Authorization Form*Begin negotiation for release of additional liens if not serviced by Bank of America.	<div>Get Outside Liens Released as Soon as Possible<ul style="list-style-type: none">The homeowner and the agent are responsible for:<ul style="list-style-type: none">Identifying all liens.Obtaining a release of any non-Bank of America liens.Undetected liens will add delays and complications to the short sale process.Begin discussions with outside lien holders quickly.Bank of America does not run a title search to identify other liens.There is a separate process for obtaining release of a Bank of America Home Equity Loan/Line of Credit.</div>	
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Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 1: Initiation

Agent Role

Your Primary Contact

- The short sale specialist or closing officer assigned to the short sale is your primary contact.
- When sending a message in Equator, be sure to select:
 - **Negotiator** when you are in the negotiating stage. This is your short sale specialist.
 - **Closing Officer** when your offer has been approved by the investor and assigned to a closing officer.
- Send messages via Equator and **not** through email or by phone.

Bank of America Role

- Assign a short sale specialist
- Review Initiation documents.
- Review homeowner for all eligible short sale programs.

Homeowner Role

- Identify all liens and begin working to obtain their release.

Escalating Your Request

If you submit a request to your short sale specialist or closing officer and there's no response after two business days:

- Message your request to a **Team Lead** by selecting this role in the Equator message drop-down **To** menu.

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* The Bank of America Buyer's Acknowledgement and Disclosure Form, Bank of America Short Sale Purchase Contract Addendum & Real Estate Licensee Certification, Estimated HUD-1 (prorated for 60 days), Bank of America Third-Party Authorization Form can be found on the Short Sale Agent Resource Center at bankofamerica.com/shortsaleagent.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 2: Document Collection/Valuations

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Complete the following three tasks:<ul style="list-style-type: none">– Submit Short Sale Offer (Submit the buyer's highest and best offer)– Home Owner's Document Collection– Financial Information• Agent will be notified if the homeowner is eligible to participate in the HAFA With Offer program.• If requested, respond to your short sale specialist's request to assist with the valuation.	<ul style="list-style-type: none">• Determine and communicate required homeowner documents.• Verify homeowner documents have been received within four calendar days of initiation.• Determine the fair market value of the property. Order the home valuation (through an independent third party to prevent fraud).• Review loan status and payoff information.• Order additional internal information. <p><i>Homeowner's docs will be reviewed upon task completion and must be accepted along with the valuation before the short sale can progress to the offer analysis phase.</i></p>	<ul style="list-style-type: none">• Work with the agent to submit any required documents.• Coordinate access to the property, if needed.

Note: If the supporting documents are not uploaded within four calendar days, the process will be delayed.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 2: Document Collection/Valuations

Agent Role

- Complete the following three tasks:
 - **Submit Short Sale Offer**
(Submit the buyer's highest and best offer)
 - Home Owner's Document Collection
 - Financial Information
- Agent will be notified if the homeowner is eligible to participate in the HAFA With Offer program.
- If requested, respond to your short sale specialist's request to assist with the valuation.

Tips for Submitting an Offer

- Complete the Offer Information worksheet sections in their entirety.
 - Don't leave any section blank.
 - Failure to provide all closings costs/fees may result in delays or decline.
- Second liens:
 - Fees for Bank of America second liens should be put in the **Second Lien** field.
 - Fees for second liens that are **not** held by Bank of America should be put in the **Outside Liens** field.
- Make sure information on the offer worksheet matches the updated HUD-1.
 - If the information isn't accurately transferred, the short sale process can be delayed.
 - If you forget to transfer the commission to the offer worksheet, the investor approval will be based on **no commission!**
- Do not enter zero for any field. It may cause errors at closing.
- Submit fully executed purchase offers with all appropriate addendums signed by both the buyer and the homeowner.

Note: If the supporting documents are not uploaded within four calendar days, the process will be delayed.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 2: Document Collection/Valuations

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">Complete the following three tasks:<ul style="list-style-type: none">Submit Short Sale Offer (Submit the buyer's highest and best offer)Home Owner's Document CollectionFinancial InformationAgent will be notified if the	<ul style="list-style-type: none">Determine and communicate required homeowner documents.Verify homeowner documents have been received within four calendar days of initiation.Determine the fair market value	<ul style="list-style-type: none">Work with the agent to submit any required documents.Coordinate access to the property, if needed.

Tips for Uploading Documents

- Make sure key information (buyer, purchase price, etc.) matches across documents and is accurately entered into Equator.
- Do not upload blank, incomplete or incorrect documents just to close out a task.
- Review documents and images for accuracy and clarity before uploading them.

Every Investor Requires Specific Documents

Your short sale specialist may ask for:

- Two most recent months' bank statements for the homeowner(s).
- Two most recent pay stubs (or income/expense reports, if self-employed) for the homeowner(s).
- Signed hardship letter.
- Additional documents.

Common Short Sale Errors to Avoid

- The Short Sale Purchase Contract Addendum is incorrectly executed or missing.
- The buyer/seller names don't match on all documents.
- IRS Form 4506-T is incorrectly executed or missing.

Correcting these errors and re-uploading documents can add 2-5 days to the decision timeline.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 2: Document Collection/Valuations

Agent Role

- Complete the following three tasks:

This Deadline Is Critical

If the required documents are not uploaded within four calendar days, the short sale will be **closed out** in Equator, and you will need to initiate a new short sale to move forward.

agent will be required to assist with the valuation.

Bank of America Role

- Determine and communicate required homeowner documents.
- Verify homeowner documents have been received within four calendar days of initiation.
- Determine the fair market value of the property. Order the home valuation (through an independent third party to prevent fraud).
- Review loan status and payoff information.
- Order additional internal information.

Homeowner's docs will be reviewed upon task completion and must be accepted along with the valuation before the short sale can progress to the offer analysis phase.

Homeowner Role

- Work with the agent to submit any required documents.

During the Document Collection Phase

- Check your messages frequently for new tasks.
- The timeline of this phase is driven primarily by the agent.
- As we review files, you may get a request for additional information.

Note: If the supporting documents are not uploaded within four calendar days, the process will be delayed.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 2: Document Collection/Valuations

Agent Role

- Complete the following three tasks:
 - **Submit Short Sale Offer**
(Submit the buyer's highest and best offer)
 - **Home Owner's Document Collection**
 - **Financial Information**
- Agent will be notified if the homeowner is eligible to participate in the HAFA With Offer program.
- If requested, respond to your short sale specialist's request to assist with the valuation.

Bank of America Role

- Determine and communicate required homeowner documents.
- Verify homeowner documents have been received within 10 days of initiation.
- **Determine the fair market value of the property. Order the home valuation (through an independent third party to prevent fraud).**
- Review loan status and payoff information.
- Order additional internal information.

Homeowner's docs will be reviewed upon task completion and must be accepted along with the valuation before the short sale can progress to the offer analysis phase.

Homeowner Role

About Reassessments of Value

If the buyer's valuation differs significantly from the valuation we've obtained, we may consider a reassessment.

- Work through your short sale specialist to request reassessment.
- Help us help you; give us evidence of the disputed value.
- Your short sale specialist will forward your request to the investor for a decision.
- There's no guarantee the investor will accept the reassessed value.
- Reassessment can add considerable time to the short sale process.

Note: If the supporting documents are not uploaded within four calendar

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 3: Offer Analysis

Agent Role	Bank of America Role	Homeowner Role

There Are Three Stages to the Offer Analysis:

- Offer Review
- Counter Offer
- Approval Requested

On the following pages, we'll look at each stage separately.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 3: Offer Analysis

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Counter Offer<ul style="list-style-type: none">– All parties agree on a short sale offer price that is likely to be approved by investors.– Update closing date each time a counter offer is submitted.• Approval Requested<ul style="list-style-type: none">– If the offer needs to be negotiated, respond before the expiration date, three calendar days.– Communicate any stipulations or changes, if needed, to seller/buyer.	<ul style="list-style-type: none">• Offer Review<ul style="list-style-type: none">– Analyze collected information.• Counter Offer<ul style="list-style-type: none">– Negotiate offer to be presented to investors.• Approval Requested<ul style="list-style-type: none">– Submit offer to mortgage insurer and investors as needed.– Receive approval, decline or renegotiate stipulations from investor(s).– Notify agent and seller of final decision from investor.	<ul style="list-style-type: none">• No homeowner action required.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 3: Offer Analysis		
Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Counter Offer<ul style="list-style-type: none">– All parties agree on a short sale offer price that is likely to be approved by investors.– Update closing date each time a counter offer is submitted.• Approval Requested<ul style="list-style-type: none">– If the offer needs to be negotiated, respond before the expiration date, three calendar days.– Communicate any stipulations or changes, if needed, to seller/buyer.	<ul style="list-style-type: none">• Offer Review<ul style="list-style-type: none">– Analyze collected information.• Counter Offer<ul style="list-style-type: none">– Negotiate offer to be presented to investors.• Approval Requested<ul style="list-style-type: none">– Submit offer to mortgage insurer and investors as needed.– Receive approval, decline or renegotiate stipulations from investor(s).– Notify agent and seller of final decision from investor.	<ul style="list-style-type: none">• No homeowner action required. <div>Preliminary Negotiations<ul style="list-style-type: none">• Your short sale specialist will counter offer to get the highest fair market value.• This is not the final negotiation. The investor may negotiate further and must give final approval.</div>

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 3: Offer Analysis

Agent Role

- Counter Offer
 - All parties agree on a short sale offer price that is likely to be approved by investors.
 - Update closing date each time a counter offer is submitted.
- Approval Requested
 - If the offer needs to be negotiated, respond **before the expiration date**, three calendar days.
 - Communicate any stipulations or changes, if needed, to seller/buyer.

Bank of America Role

- Offer Review

Agree on Counter Offers

- Make sure all parties agree on counter offers before accepting them.
- When accepting a counter offer that will be submitted for investor approval:
 - Upload updated documents to reflect the new deal.
 - If the purchase price has changed, upload an addendum to the purchase contract and an updated HUD-1.
 - If fees have changed, upload an updated HUD-1.

Homeowner Role

- No homeowner action required.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 3: Offer Analysis

Agent Role

- Counter Offer
 - All parties agree on a short sale offer price that is likely to be approved by investors.
 - Update closing date each time a counter offer is submitted.
- Approval Requested
 - If the offer needs to be negotiated, respond **before the expiration date**, three calendar days.
 - Communicate any stipulations

Critical Date

- Always note the expiration date of the offer and respond accordingly.
- If the offer expires, it goes to a **Reject** status. Be sure you communicate with your short sale specialist to avoid any issues.

Bank of America Role

- Offer Review
 - Analyze collected information.
- Counter Offer
 - Negotiate offer to be presented to investors.
- Approval Requested

Negotiating the Offer

- If there are any changes to the offer and/or the HUD-1, complete **Upload Updated HUD** task to reflect current offer details; negotiate external third-party fees before HUD-1 submission.
- Adjust the closing date, if necessary.
 - The final approval letter will reflect this date.
 - Some investors will not change the closing date.
 - The short sale must close five business days before the foreclosure sale date.

Homeowner Role

- No homeowner action required.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 3: Offer Analysis

Agent Role

- Counter Offer
 - All parties agree on a short sale offer price that is likely to be approved by investors.
 - Update closing date each time a counter offer is submitted.

Investor Decision

- The investor makes the **final** decision.
- This is a hard stop to the short sale process. Nothing proceeds while awaiting the investor decision.

Bank of America Role

- Offer Review
 - Analyze collected information.
- Counter Offer
 - Negotiate offer to be presented to investors.
- Approval Requested
 - Submit offer to mortgage insurer and investors as needed.
 - Receive approval, decline or renegotiate stipulations from investor(s).
 - Notify agent and seller of final decision from investor.

Homeowner Role

- No homeowner action required.

Is the Loan Delegated or Non-delegated?

This may affect how quickly an approval decision is reached.

- **For delegated loans:** Bank of America is authorized to make decisions on the investor's behalf without sending the investor a complete package for review.
- **For non-delegated loans:** The investor must make a complete document review.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 4: Closing

Agent Role	Bank of America Role	Homeowner Role
<ul style="list-style-type: none">• Close by the date noted in the approval letter.• Notify the closing officer of any post-approval sale changes or closing delays.• Complete the following tasks:<ul style="list-style-type: none">– Is Closing on Schedule? (five calendar days)– Upload Preliminary Closing HUD (three calendar days)– Upload Final Certified Docs (on the day it is assigned)• Once you have uploaded the final certified documents, your tasks are complete.	<ul style="list-style-type: none">• Issue the approval letter.• Assign the closing officer.• Manage any post-approval changes.• Work with the agent and the title company to ensure sale closes by date indicated in approval letter.	<ul style="list-style-type: none">• Work with agent to understand the closing requirements and documentation needed.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 4: Closing

Agent Role

- Close by the date noted in the approval letter.
- Notify the closing officer of any post-approval sale changes or closing delays.
- Complete the following tasks:
 - **Is Closing on Schedule?** (five calendar days)
 - **Upload Preliminary Closing HUD** (three calendar days)
 - **Upload Final Certified Docs** (on the day it is assigned)
- Once you have uploaded the final certified documents, your tasks are complete.

Bank of America Role

Closing Date

- Closing must occur by the date indicated on the approval letter.
- Extensions to the closing date may be requested, but they are not guaranteed.
- Foreclosure postponements are at the investor's discretion. Requests may be submitted, but they are not guaranteed.

Homeowner Role

Work with agent to understand the closing requirements and documentation needed.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 4: Closing

Agent Role

- Close by the date noted in the approval letter.
- Notify the closing officer of any post-approval sale changes or closing delays.
- Complete the following tasks:
 - **Is Closing on Schedule?** (five calendar days)
 - **Upload Preliminary Closing HUD** (three calendar days)
 - **Upload Final Certified Docs** (on the day it is assigned)
- Once you have uploaded the final certified documents, your tasks are complete.

Bank of America Role

- Issue the approval letter.

Homeowner Role

- Work with agent to understand the closing requirements and provided.

Changes That Can Cause Delays

Notify your short sale specialist or closing officer immediately if:

- Items were added to the Settlement Statement without previous approval.
- Outside/additional liens have not been negotiated.
- There is a change in buyer at any time during the process.
- The homeowner files bankruptcy.
- There is a change in the closing date.
- There is a transaction change after the approval letter is issued.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 4: Closing

Agent Role

- Close by the date noted in the approval letter.
- Notify the closing officer of any post-approval sale changes or closing delays.
- Complete the following tasks:
 - **Is Closing on Schedule?** (five calendar days)
 - **Upload Preliminary Closing HUD** (three calendar days)
 - **Upload Final Certified Docs** (on the day it is assigned)
- Once you have uploaded the final certified documents, your tasks are complete.

Bank of America Role

- Issue the approval letter.
- Assign the closing officer.
- Manage any post-approval changes.
- Work with the agent and the title company to ensure sale closes by date indicated in approval letter.

Homeowner Role

- Work with agent to understand the closing requirements and documentation needed.

Settlement Statement and HUD-1

- If the Settlement Statement is received too early, taxes or fees are likely to change.
 - For this reason, HUD-1 approval will not be given earlier than 72 hours before the closing date.
- To avoid changes in the closing date after a HUD-1 is approved, you should confirm that:
 - The title has been pulled and is clear.
 - The title company has received the buyer's loan documents before we approve the HUD-1.

Two Paths to a Successful Short Sale

Path No. 2: Initiating With an Offer

Step 4: Closing

Agent Role

- Close by the date noted in the approval letter.
- Notify the closing officer of any post-approval sale changes or closing delays.
- Complete the following tasks:
 - **Is Closing on Schedule?** (five calendar days)
 - **Upload Preliminary Closing HUD** (three calendar days)
 - **Upload Final Certified Docs** (on the day it is assigned)
- Once you have uploaded the final certified documents, your tasks are complete.

Bank of America Role

- **Issue the approval letter.**
- Assign the closing officer.
- Manage any post-approval changes.
- Work with the agent and the title company to ensure sale closes by date indicated in approval letter.

Homeowner Role

The Approval Letter

- Accessed through Equator.
- Lists all approved buyers, the purchase price, fees and the closing date.

Two Paths to a Successful Short Sale

When to Submit a Backup Offer

You may wish to submit a backup offer to replace the original offer if:

- The original buyer walked out, but you have a backup offer ready to submit from a different buyer.
- An additional buyer's name was added to or deleted from the purchase contract during the process.
- The original offer was declined as insufficient, and you have a backup offer that can be submitted.

If a Backup Offer Is Necessary

- Contact your short sale specialist ***immediately***.
- Let the specialist know if you have a backup offer to submit.
- Be aware that any backup offer – regardless of how similar it may be to the previous offer – will require analysis and investor approval, which adds time to the short sale process.

If There Is No Backup Offer

- If you are participating in a HAFA or COOP agreement, you will return to the marketing phase to obtain a new offer.
- If you are not participating in a HAFA or COOP agreement, the short sale will be closed by your short sale specialist and you should return to marketing the property and initiate a new short sale when you receive a new offer on the property.

How To Submit a Backup Offer

- The short sale can proceed without having to repeat the initiation steps.
- You will continue working with the same short sale specialist.
- The short sale status in Equator will change to ***Marketing***.
- You must then complete these tasks within five calendar days:
 - **Submit Short Sale Offer** (by going into My Properties & Offers and selecting “Place Offer”)
 - **Upload Initiation Documents**

Three Key Steps for Real Estate Agents

1

Engage Homeowners Early

- Find out if the homeowner owes more than the home's fair market value.
- Discuss short sale opportunities during initial conversations with the homeowner.
 - If the homeowner would like to better understand their options or initiate the short sale themselves, encourage them to call Customer/Agent Care at **1.866.880.1232**.
- Explain the short sale process and how it can help avoid foreclosure.

2

Contact Bank of America **Before** the Home Is Listed

- Initiate the short sale in Equator – even if you don't yet have an offer.
 - The homeowner may be required to contact Customer Care to discuss participation in one of our preapproved price short sales, such as HAFA. If the homeowner isn't eligible for a preapproved price short sale, the next action is to market the home, obtain an offer and initiate new short sale in Equator.

3

Complete Required Tasks on Time

- Make sure all tasks are completed as soon as possible in Equator.
- Provide necessary documents as soon as possible to keep the process moving forward.
- Communicate with your short sale specialist via Equator to reduce delays.

Commitment to Continued Improvement

Bank of America is committed to identifying new and different ways to make the process transparent and efficient.

Improving the short sale process

- Ongoing collection of feedback on process, people and technology
- Dedicated team of short sale professionals
- Enhanced our technology; monthly upgrades ongoing
- Resources for short sale education

Where to locate additional information

Short Sale Agent Resource Center
bankofamerica.com/shortsaleagent

Dedicated Customer/Agent Care
1.866.880.1232

Monday – Friday 8 a.m. to 10 p.m.
Saturday 9 a.m. to 5:30 p.m. Eastern

For homeowners:

Bank of America Home Loan Assistance
bankofamerica.com/hometransition

