

The CALIFORNIA ASSOCIATION OF REALTORS®



CALIFORNIA
ASSOCIATION
OF REALTORS®

AND FANNIE MAE
PRESENT



Work with Fannie Mae to Speed Up the Short Sales Process – The Inside Scoop!

August 29, 2011

Introductions



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Fannie Mae



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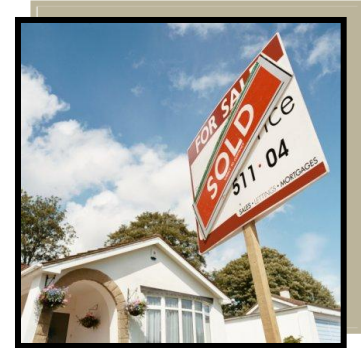
Upon Completion of this Webinar

You will be able to...

- Describe a short sale
- Understand your role and value in the process
- Identify the business opportunities
- Understand how to work with Fannie Mae to speed up the process
- Understand the benefits of the Fannie Mae Short Sale Assistance Desk

Agenda

- The short sale process
- Role and value of REALTORS[®]
- Benefits for REALTORS
- How is Fannie Mae solving the problem?
- How to work a Fannie Mae short sale
- The Short Sale Assistance Desk
- Success Stories
- Resources
- Q&A



What is a Short Sale?

The sale of a home for less than the balance remaining on the mortgage.

If the mortgage company agrees to a short sale, the homeowners can sell their home and pay off their mortgage balance with the proceeds.



When Can A Short Sale Happen?

- The borrower...
 - has a mortgage on his or her home
 - has a financial hardship
 - has worked with their servicer to exhaust all home retention solutions
 - cannot recover from the hardship and sustain a mortgage payment over the long term



When Can A Short Sale Happen?

- House is worth less than the mortgage
- A qualified buyer agrees to pay the lender as much or more than the lender expects to receive if it forecloses

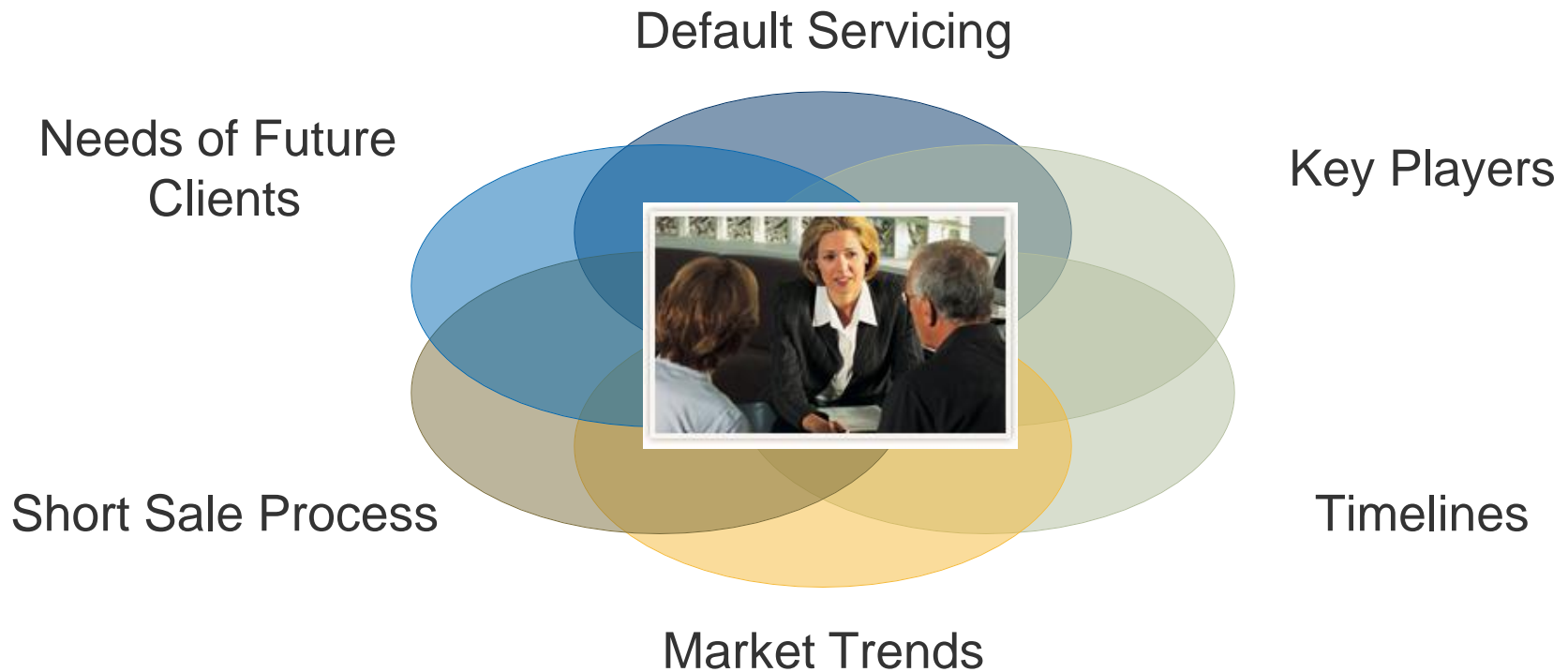


Benefits of a Short Sale



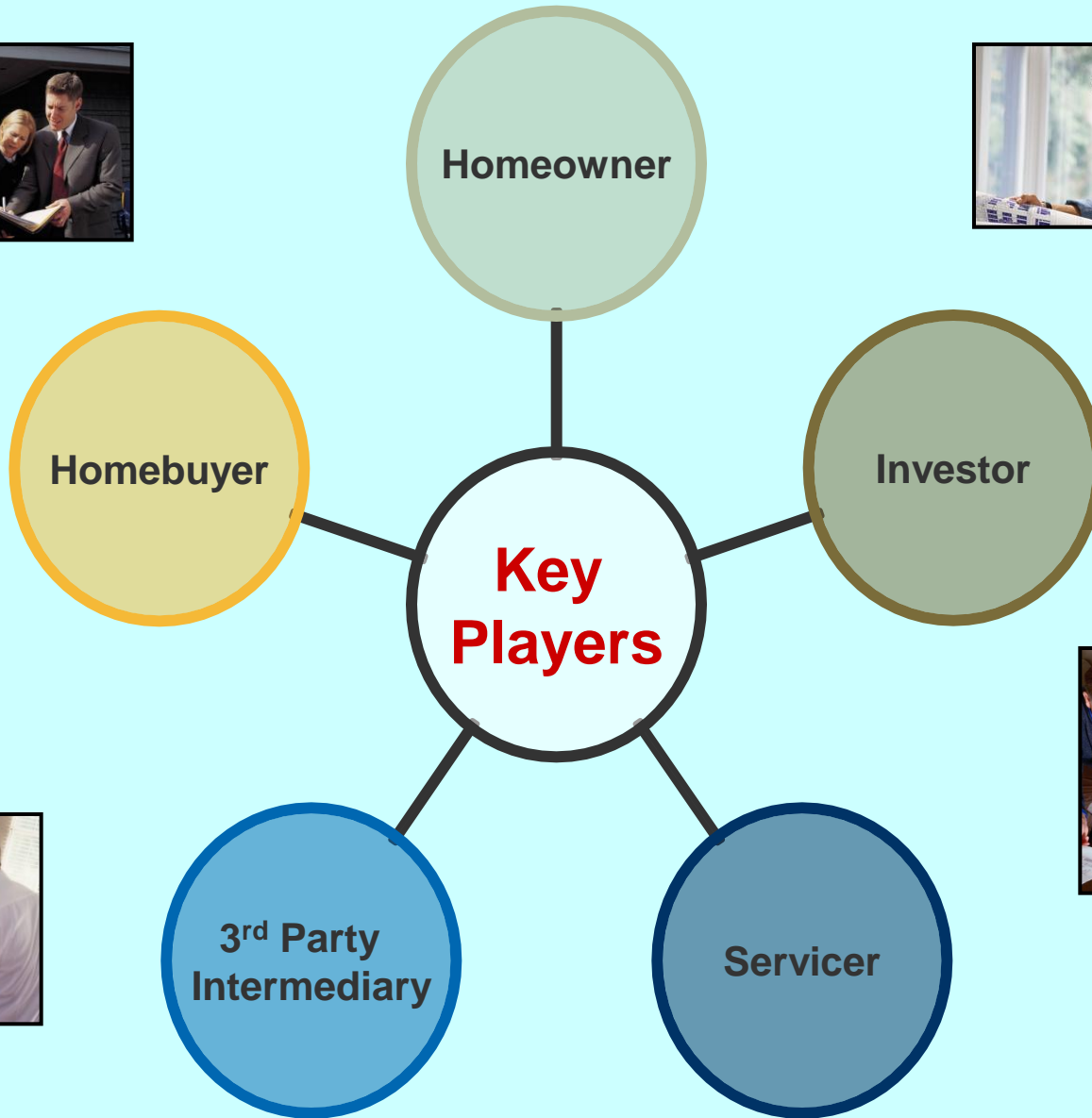
- Eliminate or reduce mortgage debt
- Assistance for relocation may be available
- May be able to recover the homeowners' credit score—and get another mortgage—faster than if they went through foreclosure

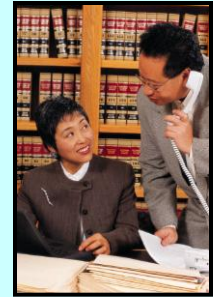
Role & Value of REALTORS



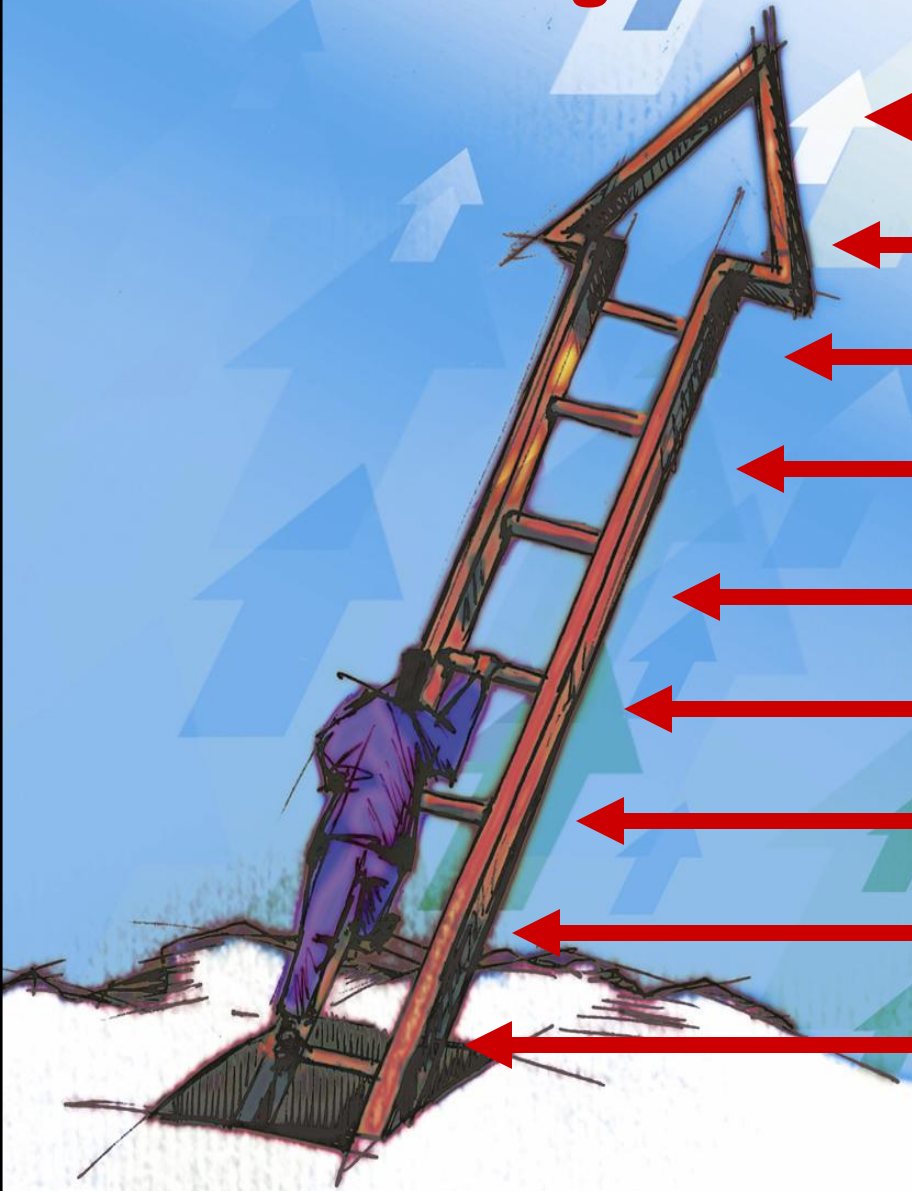
Business Opportunity







Getting Started: The Short Sale Process



← Close the deal

← Negotiate with the lender

← Short Sale Assistance Desk (if needed)

← Submit a package to the lender

← Gather supporting documents

← Get repair estimates

← Contact the lender

← Obtain permission from owner/borrower

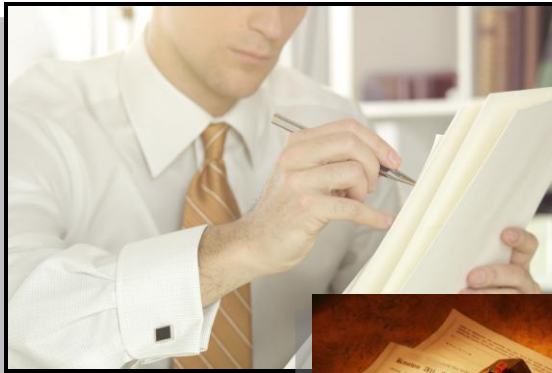
← Analyze the situation

Key Components of the Short Sale

- Demonstrate seller/homeowner hardship
 - Hardship letter
 - Financial statements
 - Bank statements
 - Credit report
 - Tax returns



Key Components of the Short Sale (cont'd)



- Evaluate the property
- Examine the title
- Identify liens
- Obtain approval letter for the buyer

Provide Lender with Short Sale Package



- Organize a concise package
- Summarize the situation
- Provide information on
 - Borrower/seller
 - Property
 - Title
 - New potential homebuyer



What's the Next Step?

- Loss mitigator reviews the short sale package
- Must include
 - Listing agreement
 - Executed contract
 - Pre-approval letter
- Follow up



How is Fannie Mae Helping Realtors Close More Short Sales?



What Have We Learned?



Challenges	Issues	Solving the Problem
Borrower	<ul style="list-style-type: none"> • Disengaged from the process • No financial motivation to work with the agent • Emotionally drained 	<ul style="list-style-type: none"> • Fannie Mae launched “Know Your Options” website in 2010 • Fannie Mae opened nine Mortgage Help Centers across the nation
Value	<ul style="list-style-type: none"> • Relied on county and gov't tax and property data • Data may lag, especially when market unraveled 	<ul style="list-style-type: none"> • Reached out to Realtors for most current market data
Process	<ul style="list-style-type: none"> • Process can be lengthy • Communications with servicers • Second lien and MI issues 	<ul style="list-style-type: none"> • Developed Short Sale Assistance Desk • Partnering with Realtor associations & MLSs • Helps Realtors cut red tape and close more transactions

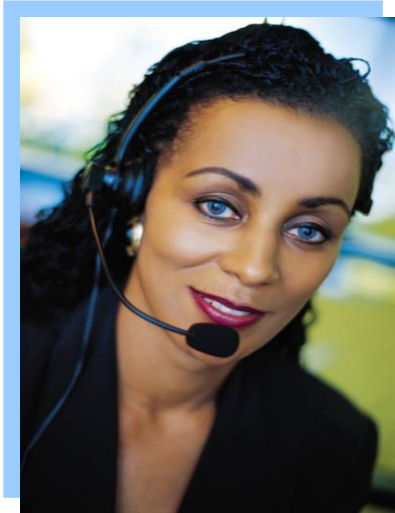
What is the Short Sale Assistance Desk?

- Easy to use online questionnaire on MLS website
- Avoid long approval delays
- Eliminate red tape
- Increase revenue
- Gain a single point of contact
- Guaranteed, non-negotiable commission



Sell & Buy Fannie Mae Short Sales with Confidence!

How Long Does it Take to Get a Resolution?



- Most cases get resolved in two weeks or less
- Issues involving MI or 2nd liens take longer
- Your MLS or Fannie Mae cannot guarantee a positive resolution

When Can a Realtor Use the Assistance Desk?

Determine if the short sale property is eligible

- ✓ Property must have a first-lien owned by Fannie Mae
- ✓ Only post-offer issues can be submitted
- ✓ The servicer must be in receipt of a valid offer for the property
- ✓ Realtor must be a MLS subscriber
- ✓ Realtor must be the listing agent for the property

www.fanniemae.com/loanlookup/

Guidelines



Submit your case in the event the servicer has not provided:

- an initial response within **20** days,
- a final property valuation within **30** days,
- a final decision or specific direction to facilitate a decision within **60** days from the original offer submission date,
- or, if you have received an approval from the servicer for your transaction, but the MI (or 2nd lien holder) has imposed a closing condition that is not possible for the borrower to meet.

How to Submit a Short Sale Issue to Fannie Mae

Demo of the Short Sale Assistance Desk

- Step 1: Loan Look Up
- Step 2: Borrower Authorization Form
- Step 3: Submit to Fannie Mae



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C.A.R. Live Demo from Josh Sharfman

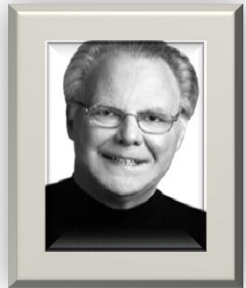


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“The Assistance Desk is amazing. I submitted a request Tuesday and had two calls from the lender the next day. I was in the field showing houses but she called the second time because I had not called her back quickly. That's what I call responsive! And she couldn't have been more helpful.”

-- **Marty Hunt, Orlando, FL**



“I am absolutely convinced that without Fannie Mae’s Short Sale Assistance Desk, the short sale property would have gone to foreclosure the next day. I want to thank Fannie Mae for their attention, professionalism, and follow through. My buyers and their agent, my client, and I are very grateful for your help.” -- **Bob Sewell, Zephyr Cove, NV**



“The Assistance Desk helped my seller and me get results even after we felt like we had hit a dead end with the lien holder. We were at the point where we could not even get through on the phone and were about to give up hope. After we engaged the Assistance Desk, a senior negotiator from the lien holder contacted me, falling all over herself to get the short sale seriously considered.” -- **Damian Janssen, Sparks, NV**

Business Opportunity: Differentiate Yourself

Your next listing appointment...

If it's a Fannie Mae property:

- Realtors can explain the benefits of the Assistance Desk to homeowners
- Include the BAF in your presentation



Expand Your Business

- **If it's a Fannie Mae property...**
 - Shop with confidence
 - Assistance Desk can help avoid delays
 - Get fast resolutions
 - Avoid red tape



Guaranteed non-negotiable commission

MLSs in CA that Offer the SSAD



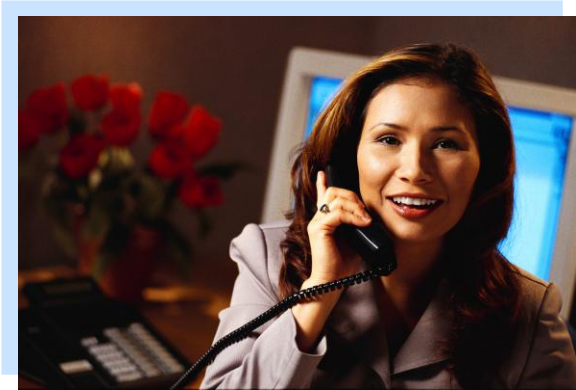
Coming Soon



How Can You Participate?



Contact Your MLS
Ask them to contact Fannie Mae at
SSAD_Information@Fanniemae.com



Recap

- Understand market trends
- Understand the business opportunity
- Attend a short sales training program
 - Identify key players
 - Understand the process
 - Prepare a short sale package
- Use the Assistance Desk
- Contact your MLS to obtain this member benefit



Fannie Mae Tools & Resources



- **Fannie Mae**
 - www.fanniemae.com
 - www.efanniemae.com
- **Fannie Mae Hotline**
 - 1-800-7FANNIE
- **Know Your Options**
 - www.knowyouroptions.com
- **Loan Lookup**
 - www.fanniemae.com/loanlookup/.com
- **HomePath[®]**
 - www.homepath.com



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