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What affects the success rate of Kayser & Associates? *"It clearly begins with how we take the listing, the kind of documents we collect; on to our pricing strategy and how to deal with inevitable low ball offers, and then once a contract is obtained, how to structure and present a short sale package that makes the processors job easier . . . then the creative negotiation process which is clearly our forte."*

I How do you price a short sale?

List the property competitively based off the average "SOLDS" in last 6 months. Listing too high will create a high BPO and will kill a short sale! (What is owed on the mortgages should not influence your list price). If a foreclosure sale is already scheduled, drop it as low as possible and quickly to accelerate an offer. If it is not in foreclosure, drop it regularly around 3% every two weeks providing you started at the right original list price. Once an accepted contract is secured, leave the price where it is.

II Items needed from the Realtor right away

Scan or fax to your assigned negotiator right away (see above):

1. Listing agreement & listing history
2. MLS Printout (pdf – not a link).
3. CMA & Comps (including foreclosures & short sales) – pdf form, not a link. We can send you a samples if you need.

III What type of contract do we need?

Contingent investor contracts that are subject to partner's approval or investor contracts that give the investor "owner by contract" status are **not** accepted. Please ensure all contracts are bona fide offers and are "clean", no buyer prepaids (minimal if any), no Home Warranties (lenders will not pay), and "As Is" (inspection period is not used for negotiating but for Buyers information only). Further, the vast majority of the time, the lender will not entertain a "seller's concession" where the purchaser inflates the purchase price in order to assist financing the closing costs. From the prospective of the short sale lender, who is losing tens of thousands of dollars, the purchaser is admitting that the property is worth more than they are paying for it (as the buyer's own lender must receive a satisfactory appraisal reflecting the purchase price plus seller's concession)

IV I have a contract, now what do I do?

After accepted contract:

1. Fax or scan signed Contract with Buyer's pre-approval and/or proof of funds.

2. Get the contract to your Title Co **right away** and order a prel HUD and title report.
3. Email us the Title Co contact info for the prel. HUD which is submitted with the short sale package.

Brokers Price Opinion: You will need to meet the BPO agent (lender's appraiser) at the property with your own CMA including foreclosure and short sale comparables. A bad BPO will kill a short sale, so you must have a stake in this number. The lenders BPO agent will be contacting you. Ensure the BPO agent does not access the property without going through you. Remind all BPO agents per Freddie Mac's own guidelines, "appraisers must consider foreclosures and short sales that are representative for the market in which the property is located."

V The Process (please explain to the buyer's agent)

Timeframe. From the time a Contract is entered into to sell the home, the process should take no longer than 3 months. However, we have been known to negotiate short sales in as little as 2 to 3 weeks. All transactions are reviewed on a case-by-case basis so as to better advise the homeowner what can be expected. The key here is patience on the part of all parties. The buyers and their realtor must understand how this process works and that we could be looking at a 3-6 month wait if it is a government backed loan, like Freddie Mac or Fannie Mae. The lenders taking the longest time are BofA / Countrywide and Chase. Lenders taking the shortest time include Wells Fargo, Citimortgage, and Saxon.

Major Milestones

Short sale package all sent in.

Confirmation that the entire short sale package has been received

BPO is ordered

BPO results are in

Negotiator is assigned

File has been submitted to the investors

Final approval is in

Items Needed from the Homeowner (you do not collect, we do – but you may be asked to assist in this process if the Seller does not have a fax or cannot scan documents):

1. Authorizations allowing us to negotiate with lender
2. Recent mortgage statement for all lenders
3. Delinquency notices, notice of trustee's sale, notice of default and any other documents that seller has received or will receive from the lender
4. Signed Hardship letter: A letter that states the events and reasons that caused the owners to not be able to make the house payments. We provide samples as a guide.
5. Bank statements: Last (2) months bank statements from all the banks where the owner(s) have accounts – checking and savings.
6. Financial statements: Shows income sources, savings, assets and expenses of the owner(s). Many lenders have their own workout documents which we have.
7. Last two years federal tax returns, first two pages only – and W2s.
8. Last two months pay stubs. If no paystubs, signed statement of why.
9. Profit and Loss statements (if self employed) 6 months.
10. Bankruptcy Discharge letter if applicable.
11. Proof of Disability if applicable.
12. Any document demonstrating hardship.
13. Divorce Decree if applicable.