



# AUTHORIZATION TO RELEASE INFORMATION

I hereby authorize \_\_\_\_\_ of \_\_\_\_\_ (whose phone number is \_\_\_\_\_ and fax number is \_\_\_\_\_) and/or any designated agent, assistant, Title Company or its agents to verify any and all information pertaining to the mortgage or property detailed below and any additional financial information pertaining to this property including home owner's association, taxes, liens and any other encumbrances.

I/We, \_\_\_\_\_ hereby release \_\_\_\_\_ (lender/lenders), its affiliates, employees, agents, and directors from any claims that might arise in connection with this authorization. This authorization shall remain in effect until revoked in writing

It is understood a photocopy or fax of this form will also serve as authorization.

PROPERTY \_\_\_\_\_

Property Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

1st MORTGAGE \_\_\_\_\_

Mortgage Company \_\_\_\_\_ Account Number \_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Loss Mitigation Contact \_\_\_\_\_ Direct Phone if Available \_\_\_\_\_

2nd MORTGAGE \_\_\_\_\_

Second Mortgage Company \_\_\_\_\_ Account Number \_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Loss Mitigation Contact \_\_\_\_\_ Direct Phone if Available \_\_\_\_\_

ASSOCIATION (IF ANY) \_\_\_\_\_

Account Number \_\_\_\_\_ Management Company \_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

AUTHORIZED BY \_\_\_\_\_

Borrower Signature \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Printed Name \_\_\_\_\_ Today's Date \_\_\_\_\_

Co-Borrower Signature \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Printed Name \_\_\_\_\_ Today's Date \_\_\_\_\_

Form A General



# HOLD HARMLESS AGREEMENT

\_\_\_\_\_  
*BROKERAGE*

\_\_\_\_\_  
*LISTING AGENT*

The undersigned parties (sellers) agree to seek independent Counsel pertaining to sale of their home, land, real property in the matters of state and federal taxes and legal implications. The undersigned sellers shall contact the appropriate real estate attorney and or certified public accountant to obtain qualified counsel relating to implications of selling the below mentioned real property:

\_\_\_\_\_  
*Property Address*

\_\_\_\_\_  
*City*                      *State*                      *Zip*

The undersigned further agree that there have been no guarantees or promises of sale made to them by the listing agent or brokerage above. It has been explained to them, and they agree to as much below, that in a changing real estate market Brokers and agents can make no warranties implied or otherwise as to time to sale, sale price, and probability of sale of any property. Any information that the listing agent has presented to the seller is to assist the seller in making an educated decision in the sale of their home but in no way should preclude the seller from seeking professional legal as well as tax advice. It is expressly suggested that the seller do both.

IN SIGNING THIS RELEASE, I (we) ACKNOWLEDGE AND REPRESENT THAT I (we) have read the forgoing Waiver of Liability and Hold Harmless Agreement, understand it and sign if voluntarily as my (our) own free act and deed; no oral representations, statements or inducements, apart from the foregoing written agreement, have been made; I (we) am at least eighteen (18) years of age, and fully competent; and I (we) execute the Release for full, adequate and complete consideration fully intending to be bound by same.

\_\_\_\_\_  
*Seller's Signature*                      *Date*

\_\_\_\_\_  
*Seller's Signature*                      *Date*

\_\_\_\_\_  
*Print Seller's Name*

\_\_\_\_\_  
*Print Seller's Name*

Form D



## CDPE HOMEOWNER'S DOCUMENT CHECKLIST

Date: \_\_\_\_\_ Owner: \_\_\_\_\_

Address: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

In order to have the opportunity to negotiate with your lender we will need to have the following documentation. Please note, when we get a contract we may need updates on each item so please make certain you set aside statements and paycheck stubs as you get them.

- Two months most recent mortgage statements (all mortgages)
- Two months checking account statements (all borrowers if separate)
- Two months saving account statements (all borrowers if separate)
- Two months other account statements (all borrowers if separate)
- Last two paycheck stubs (all borrowers)
- Two years tax returns
- Hardship Letter (see samples)
- Financial Worksheet (provided)
- Other \_\_\_\_\_
- Other \_\_\_\_\_
- Other \_\_\_\_\_

FAX THE ABOVE ITEMS TO \_\_\_\_\_  
ATTENTION \_\_\_\_\_

Form E



# CDPE HOMEOWNER FINANCIAL WORKSHEET

Borrower Name

Co-Borrower Name

1st Loan Number

2nd Loan Number

**INCOME - TAKE HOME PAY**

	DEBTOR	CO-DEBTOR	TOTAL
Primary Job			
Misc. Income Overtime			
Part Time Job (net)			
Retirement-Military			
Retirement-Civil Serv.			
Support/Alimony			
Social Security			
Room & Board/Rent			
<b>TOTAL NET INCOME:</b>	\$	\$	

How often is Borrower paid?     Every Week     Every 2 Weeks     Twice A Month     Once A Month  
 How often is Co-Borrower paid?     Every Week     Every 2 Weeks     Twice A Month     Once A Month

**EXPENSES**

	MONTHLY PAYMENT	BALANCE	NAME OF CREDITOR
Home Mortgage			
2nd Mortgage			
Auto loan			
Auto loan			
Creditor			
Creditor			
Creditor			
Creditor			
Creditor			
Creditor			
Student loan			
Alimony/Support			
Child Care			
IRS			
CH 13			
Electricity			
Heating fuel			Oil or Natural Gas
Water& Sewer			
Telephone			
Cable TV			
Auto Insurance			
Health Insurance			Paid directly (not by employer)
Life Insurance			Paid directly (not by employer)
Medical/Dental Exp.			



# SHORT SALE ADDENDUM TO LISTING CONTRACT



The printed portion of this contract has been approved by the ARIZONA ASSOCIATION OF REALTORS® (AAR). This is intended to be a binding contract. No representation is made as to the legal validity or adequacy of any provision or the tax consequences thereof. If you desire legal, tax or other professional advice, consult your attorney, tax advisor, insurance agent or professional consultant.

- 1. SELLER: \_\_\_\_\_
- 2. BROKER: \_\_\_\_\_
- 3. PREMISES: \_\_\_\_\_
- 4. DATE: \_\_\_\_\_

5. **SHORT-SALE DEFINED:** The term "short sale" is used to describe a sale in a situation where there is more debt owing against a property than the property's value. In a loan default situation, (pre-foreclosure) the creditor(s) may be willing to agree to allow the property to be sold for less than the loan amount and/or accept less than (or "short") the amount owed as payment in full. *The Owner acknowledges that there may be disadvantages to a short sale.*

9. **CREDIT AND CREDITOR CONSIDERATIONS:** A short sale may adversely affect the Seller's credit score. Further, even if the creditor(s) agrees to a short sale, the creditor(s) may not agree to forgive the debt entirely, and may require the Seller to pay the difference as a personal obligation. If the loan is guaranteed by the FHA or VA, these entities may also require payment of the difference. *Therefore, the Seller is advised to consult independent legal counsel regarding the advisability of entering into a short sale agreement, be certain of the terms of any short sale before making a decision, and obtain any debt forgiveness agreement in writing.*

15. **TAX CONSIDERATIONS:** A short sale in which a portion of the debt is forgiven is considered a relief of debt and may be treated as income for tax purposes. A creditor who forgives a debt must submit a 1099 form to the IRS indicating the amount of the debt that has been forgiven. *Therefore, Seller is advised to obtain professional tax advice immediately regarding the tax implications and the advisability of entering into a short sale agreement.*

19. **DETERMINING THE AMOUNT OWED:** Seller agrees to cooperate with Broker(s), escrow company, and creditor(s) to determine the amount of debt owed on the property, including but not limited to, purchase money loans, home equity loans, homeowner's association fees, property taxes and other tax liens.

22. **OBTAINING CREDITOR APPROVAL:** Obtaining creditor(s) approval of a short sale involves documentation similar to that required for the original loan application. The Seller must generally establish that the Seller is financially incapable of paying the loan(s). The Seller agrees to promptly submit to creditor(s) all requested documentation, including W-2 forms from employers, bank statements, tax returns, "hardship letter" (stating the reason the creditor(s) should consider granting a short sale) and other requested financial documents outlining income and debt. The Seller acknowledges that it may take weeks or months to obtain creditor(s) approval of a short sale. Seller(s) agrees to grant creditor(s) permission to communicate directly with Broker(s).

29. **OTHER OPTIONS:** Seller is advised to explore options with creditors other than a short sale, such as loan modification, revised repayment plan, refinance or entry into a lender(s) loan mitigation program, if available. Seller agrees to notify Broker if Seller decides to pursue other options.

32. \_\_\_\_\_  
SELLER SIGNATURE MO/DA/YR

33. \_\_\_\_\_  
FIRM NAME (BROKER) MO/DA/YR

Initials: _____ / _____ BROKER BROKER	 <b>ARIZONA</b> <small>ASSOCIATION OF</small> <b>REALTORS®</b>	Initials: _____ / _____ SELLER SELLER
© 2007 Short Sale Listing Addendum		



# FORECLOSURE VS. SHORT SALE

## Homeowner Consequences

Issue	Foreclosure	Successful Short Sale
Future Fannie Mae Loan – Primary Residence <small>(effective May 21, 2008)</small>	A homeowner who loses a home to Foreclosure is ineligible for a Fannie Mae backed mortgage for a period of <b>5 years</b> .	A homeowner who successfully negotiates and closes a short sale will be eligible for a Fannie Mae backed mortgage after only <b>2 years</b> .
Future Fannie Mae Loan – Non Primary <small>(effective May 21, 2008)</small>	An Investor who allows a property to go to Foreclosure is ineligible for a Fannie Mae backed investment mortgage for a period of <b>7 years</b> .	An investor who successfully negotiates and closes a short sale will be eligible for a Fannie Mae backed investment mortgage after only <b>2 years</b> .
Future Loan with any Mortgage Company	On any future 1003 application, a prospective borrower will have to answer <b>YES</b> to question C in Section VIII of the standard 1003 that asks “Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?” this will affect future rates.	There is no similar declaration or question regarding a short sale.
Credit Score	Score may be lowered anywhere from <b>250 to over 300 points</b> . Typically will affect score for over <b>3 years</b> .	Only late payments on mortgage will show and after sale mortgage will be reported as paid or negotiated. This will lower the score as little as <b>50 points</b> if all other payments are being made. A short sale’s affect can be a brief as <b>12 to 18 months</b> .
Credit History	Foreclosure will remain as a public record on a person’s credit history for <b>10 years or more</b> .	Short sale is <b>not reported on a credit history</b> . There is no specific reporting item for ‘short sale’. The loan is typically reported ‘paid in full, settled’.

**Distressed Property Institute, LLC**  
800-482-0335 | [www.cdpenow.com](http://www.cdpenow.com)



# FORECLOSURE VS. SHORT SALE

## Homeowner Consequences

Issue	Foreclosure	Successful Short Sale
Security Clearances	Foreclosure is the most challenging issue against a security clearance outside of a conviction of a serious misdemeanor or felony. If a client has a foreclosure and is a police officer, in the military, in the CIA, Security, or any other position that requires a security clearance in almost all cases clearance will be <b>revoked and position will be terminated.</b>	A Short Sale on its own does not challenge most security clearances.
Current Employment	Employers have the right and are actively checking the credit regularly of all employees who are in sensitive positions. A foreclosure in many cases is ground for immediate <b>reassignment or termination.</b>	A short sale is not reported on a credit report and is therefore <b>not a challenge to employment.</b>
Future Employment	Many employers are requiring credit checks on all job applicants. A foreclosure is one of the most detrimental credit items an applicant can have and in <b>most cases will challenge employment.</b>	A short sale is not reported on a credit report and is therefore <b>not a challenge to employment.</b>
Deficiency Judgment	In <b>100% of foreclosures</b> (except in those states where there is no deficiency) the bank has the right to pursue a deficiency judgment.	In some successful short sales it is possible to convince the lender to <b>give up the right to pursue a deficiency judgment</b> against the homeowner.
Deficiency Judgment (amount)	In a foreclosure the home will have to go through an REO process if it does not sell at auction. In most cases this will result in a lower sales price and longer time to sale in a declining market. This will result in a higher possible <b>deficiency judgment.</b>	In a properly managed short sale the home is sold at a price that should be close to market value and in almost all cases will be better than an REO sale resulting in a <b>lower deficiency.</b>

**Distressed Property Institute, LLC**  
800-482-0335 | [www.cdpenow.com](http://www.cdpenow.com)

Page 2 of 2