



Sea 2 Sky Capital, LLC

Washington State Real Estate Broker License #91588 (Sea 2 Sky Capital, LLC) #23091 (Lucille L McKie)
Washington State Mortgage Loan Originator's License #NMLS-392801
Notary Public License # 59522
NWMLS Office # 981
CBA Office # 1003918

Short Sales Negotiated with Lenders by Lenders¹

Agent Responsibilities:

- Take listing, price to sell quickly, drop price as needed.
- Advise seller that Sea 2 Sky Capital will negotiate with their lender to obtain approval for the short sale. Give them a copy of the required documents or we will email them to the seller.
- Email the listing agreement and the sellers contact information (phone and email) to lucy@sea2skycapital.com
- **Go get another listing** and repeat the 3 steps above

Sea 2 Sky Capital Responsibilities:

- Collect all documents necessary from the seller
- Open Escrow with **North Sound Escrow**, order HUDs
- Submit short sale request to lender
- Provide **email updates** on significant progress
- Obtain any necessary updated information from seller
- Monitor auction dates, obtain postponements as necessary
- Send invite to both agents and the seller so they can view the progress on our tracking software
- Stay in contact with lender **proactively** to monitor progress and satisfy their requirements
- **Answer questions from seller** about short sales and/or refer them to the appropriate professional (CPA, Attorney, Counselors)
- Obtain a **1004 URAR appraisal** on the property – at our cost if necessary to dispute the lender's value
- Follow transaction through to closing and delivery of the commission check!



What To Expect:

- Compassionate and **professional attention** to the seller's difficult situation. Sellers typically have many questions – we answer all questions to help them understand the process.
- **Strict confidentiality** regarding all non-public personal information. We follow all privacy rules associated with the Gramm-Leach-Bliley Financial Services Act.
- **Frequent updates** on progress via email to the homeowner and all agents involved.
- **Daily attention to the file.** We don't wait for the lender to act.
- **The best approval available from the seller's lienholders.**



¹ Lucy McKie – 28+ years



FAQs for Sellers

What type of documents must I provide to get a short sale approved?

A checklist of documents and the necessary forms to get started can be obtained from your listing agent, at <http://www.sea2skycapital.com/content/forms/forms.asp> or by emailing lucy@sea2skycapital.com

When I have the documents gathered, what do I do with them?

Prepare and submit short sale docs to Sea 2 Sky Capital via email or fax lucy@sea2skycapital.com or 425-974-7476.

My lender keeps calling and sending me forms to fill out, threatening letters and lists of documents they need. What do I do?

Please send copies of all written correspondence received to lucy@sea2skycapital.com or fax to 425-974-7476. When you talk to your lender please just ask them to call Lucy at 425-780-5342 allowing her to answer all questions.

My home needs repairs and I don't have the money to make it ready to sell. What do I do?

Do as much as you can, without spending money you need for living expenses, to prepare your property to obtain the best price. Your listing agent will let you know the critical things to take care of first.

I want my home to sell for the highest price. Why should I allow price drops?

In a short sale it's important to get an offer as quickly as possible to avoid foreclosure. If your home is not being shown to prospective buyers multiple times per week then the price should be dropped to get an offer.

I received an offer – what happens now?

When offers come in your agent will work with Sea 2 Sky Capital to make sure the terms in the offer will put us in the best position for approval. If you have provided all of your documents, Sea 2 Sky will submit the short sale request to your lenders within 24 hours after an offer is received. Your lenders will review your documents and let Sea 2 Sky know if they need anything extra for your specific type of loan.

Will I need to send in more documents while the approval is being considered?

You will be required to keep your documents current within 30 days until the short sale is approved. Be sure to send all bank statements and pay stubs as they are received to Sea 2 Sky. You will be notified if it's necessary to update hardship letters or financial statements.

How does the lender decide if the price on my home is acceptable?

Once the lender has determined they have all documents they need they will order a valuation. Either a real estate agent or an appraiser will come to the property for an inspection. Please be sure they are



aware of all issues with the property so that they have a correct 'as-is' value. For instance, if you have had a roof leak, termites, mold or any deferred maintenance, please point this out.

What happens if the price is lower than what the lender wants?

When the lender has determined what they think the property is worth they will advise Sea 2 Sky if the offer is acceptable. If they make a counter offer, Sea 2 Sky and your listing agent will advise the buyer's agent and ask them to meet the counteroffer. Many times the bank's value is higher than reality. If this happens Sea 2 Sky will dispute their value to encourage them to approve the sale.

Will my lender expect me to pay the amount of my mortgage that is left unpaid after the short sale?

Most unpaid balances are forgiven. Your approval letter will state the lenders intentions. In very rare circumstances the investor (owner) of your loan and/or the PMI company may ask for you to participate in their loss by bringing cash to closing or by signing a note. Sea 2 Sky will work with you to prepare a response to their request and to get the amounts as low as possible.

I have heard about sellers getting cash at closing. Will I get any money?

Your lender may have several programs available to you for a short sale that will provide you with relocation/incentive money paid to you at closing. This can range from \$750 to \$35,000 or more. Generally, if you are living in the home you should qualify for something as long as you loan was made prior to 2009. The average homeowner gets \$3,000. The only lenders we have worked with that pay the larger incentives are BOA and Chase and these are very limited, but do happen.

Will I have any other obligations related to my home once the short sale is closed?

If you are past due on your utility bills or HOA dues these may not always be paid current from the sales proceeds. If you can, it's best to save money to pay these current if your lender does not allow these to be covered from the sale proceeds. Generally, if you get incentive money they will not pay these items, requiring you to pay them at closing from the incentive money. If you have any non-mortgage liens (judgments, etc) on your property we will need to get these cleared before the short sale can close. It is important that you talk to the attorney handling the judgment to set up a payment plan asap. If you do this and have made a few payments they are more likely to agree to release their lien and/or settle the debt.

Am I required to accept the terms my lender offers me?

No, you are not. When the approval letters are issued you have the opportunity to review them and consult your attorney to determine if the terms are acceptable to you.

If you ever have questions, please contact Lucy. Email to get the fastest response or let me know a good time to return your call.



Sea 2 Sky Capital, LLC – Required Documents

Washington State Real Estate Broker License #91588
Notary Public License # 59522
NWMLS Office # 981
CBA Office # 1003918

Date: _____

Homeowner Name: _____

Property Address: _____

Required documents for all properties:

From Listing Agent:

- ___ Services Contract
- ___ Purchase & Sale Agreement
- ___ Listing Agreement including Forms 18 (attached) and 48A (attached)
- ___ Preliminary Title report

From Seller:

- ___ Contact Information (attached)
- ___ Agreement on Disclosures and Scope of Services (attached)
- ___ Authorization to Release Information (attached) – if your lender is Bank of America, please ask us for their specific authorization form
- ___ Hardship Letter (example attached)
- ___ Request for Mortgage Assistance (attached)
- ___ Copy of recent mortgage statements for all lenders
- ___ Copy of recent utility bill
- ___ Past two year's tax returns SIGN page 2 and include all pages filed with the IRS– if you do not have copies available check this site for options:
<http://www.irs.gov/individuals/article/0,,id=110571,00.html>
- ___ Form 4506T (attached)
- ___ Past two month's income verification:
 - If you are **employed**, send copies of paystubs
 - If you are **self-employed**, send a Profit & Loss Statement covering at least the last 3 months
 - If you are **unemployed**, send a copy of your benefits statement or copies of checks or stubs
 - If you receive **retirement or Social Security**, send copies of the annual benefits letter
 - If you receive **rental income** send a copy of the lease and a year to date profit and loss
- ___ Past two month's bank statements for all monetary accounts (no online printouts – please download actual statement)



Short Sale Negotiation Services

Sea 2 Sky Capital, LLC will provide short sale negotiation services for:
_____ Lag# _____ (Listing Agent)

Sea 2 Sky Capital will begin work when Listing Agent has provided:

- copy of the Listing Agreement and Amendment
- contact information for the Seller

Sea 2 Sky Capital will receive from the total commissions charged for the sale of the property **one percent (1%) of the final gross sales price, with a minimum of \$1,500.00**, for compensation earned for providing real estate services to the seller including but not limited to:

- collection of all necessary documents as required by lienholder(s)
- review and negotiation of sales contract with buyer's (agent) as needed, including explanation of the short sale process
- creation and collection of necessary addenda as required by lienholder(s) to meet their requirements
- negotiation with the seller's lienholder(s)
- communicating with all parties throughout the process
- monitoring foreclosure action by the lienholder(s) to help avoid foreclosure auctions
- monitoring closing process to ensure a smooth and timely closing
- referring sellers to attorneys and tax specialists as requested to answer questions

Listing Agent is responsible for payment of the commission and will include the 1% (minimum \$1500) commission in the Commission Disbursement Form submitted to Escrow. If Agent chooses to require the Buyer and/or Buyer's Agent to pay for all or a part of this commission the responsibility for payment of the commission remains with the Listing Agent.

Special Instructions:

- Add Lucy McKie Lag #76699 as co-listing agent
- Suggested Agent Remarks: *North Sound Escrow, Stacy Bradshaw 425-275-5842; email lucy@sea2skycapital.com for terms before writing offer.*

Sea 2 Sky Capital, LLC

Listing Agent:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

AMENDMENT TO EXCLUSIVE LISTING AGREEMENT

Property Address: _____	1
_____	2
Seller: _____	3
Listing No.: _____ Listed Price: \$ _____	4
Listing Firm: _____ Office No.: _____	5

This amends the Exclusive Listing Agreement ("Agreement") dated _____, 6
between _____ ("Seller") 7
and, _____ ("Firm") 8
concerning the property commonly known as _____, 9
in the City of _____, County of _____, State of WA, Zip _____ . 10

SELLER AND FIRM AGREE AS FOLLOWS: 11

- Price Change.** The listing price is changed to \$ _____ . 12
- Agreement Extended.** The Agreement is extended until midnight of _____ . 13
If the Agreement expired prior to the parties' execution of this Amendment, the Agreement (and any prior 14
Amendments thereto) are incorporated herein by this reference and this Amendment shall constitute a new 15
Exclusive Listing Agreement. 16
- Other:** 17
See attached Exhibit "A". 18

ALL OTHER TERMS AND CONDITIONS of the Agreement remain unchanged. 22

DATED THIS _____ DAY OF _____, _____ 23

FIRM (COMPANY) _____ SELLER _____ 24

BY _____ SELLER _____ 25

Exhibit A

Amendment to Exclusive Listing Agreement; MLS Form 18

Sea 2 Sky Capital LLC and its broker, Lucy McKie, are hereby appointed as Seller's Co-Listing Broker for the purpose of providing the following real estate brokerage services with respect to the sale of the Property: (1) research and advise on market value of the Property, (2) handling the submittal and processing of the Seller's request(s) to lienholder(s) for short sale approval and (3) coordination of the short sale approval with the escrow agent closing the sale. The responsibilities and duties of said Co-Listing Broker are limited to the services described above and no partnership is formed between the Firm and said Co-Listing Broker. Sea 2 Sky Capital LLC shall be paid a commission for its real estate brokerage services equal to 1% of the sales price of the Property (\$1500 minimum), which shall be deducted from the Firm's commission and paid directly to Sea 2 Sky Capital LLC at closing.

Agreed:

Dated this _____ Day of _____, _____

Firm (Company) _____ Seller _____

By _____ Seller _____

**MORTGAGE ASSISTANCE RELIEF
SERVICES DISCLOSURE - PART 1**

The following disclosures are being made pursuant to the Federal Trade Commission's Mortgage Assistance Relief Services ("MARS") Rules (16 C.F.R. Part 322). 1
2

IMPORTANT NOTICE: 3

Sea 2 Sky Capital (Insert Firm Name) is not associated with the government, 4
and our service is not approved by the government or your lender. Even if you accept this offer 5
and use our service, your lender may not agree to change your loan. 6

You may stop doing business with us at any time with regard to our short sale negotiation 7
services, which are being provided to you as a part of our real estate brokerage services. 8

You may accept or reject the offer of mortgage assistance we obtain from your lender or servicer. 9
Whether you accept or reject the offer, you do not have to pay us a fee for our short sale 10
negotiation services. However, you may be obligated to pay us a commission for our real estate 11
brokerage services. 12

If you stop paying your mortgage, you could lose your home and damage your credit rating. 13

Sea 2 Sky Capital, LLC
Firm (Company) 14

Ducelee H. McKie
By: (Broker) Date 15

Seller hereby acknowledges receipt of a copy of this MARS Disclosure - Part 1. 16

Seller Date 17

Seller Date 18

**COUNTEROFFER ADDENDUM
TO REAL ESTATE PURCHASE AND SALE AGREEMENT**

All terms and conditions of the offer (Real Estate Purchase and Sale Agreement) dated _____, 1
concerning _____ (the "Property"), 2
by, _____, as _____, 3
and the undersigned _____, as _____, 4
are accepted, except for the following changes. 5

The Purchase Price shall be \$ _____ 6
_____ 7

Other. 8
Seller's name is: _____ (exact name as on title) 9

Form 21, Item 10: Escrow will be with North Sound Escrow, Stacy Bradshaw 11
stacy@northsoundescrow.com 425-275-5842 12

Form 21 Item 11: Closing within 30 days of lienholder(s) approval of short sale 14

Form 21 Item 15: Buyer will assume charges and assessments due after closing 16

Septic & Well Addenda (if applicable): Buyer will pay for all pumping, inspections & reports. If 18
Seller's lienholder agrees to allow this cost to be paid from the sales proceeds, Buyer will be 19
reimbursed at closing up to the amount allowed. 20

Form 22SS Item 2: Seller shall have 90 days; Item 4: Buyer may not terminate; Item 5: 22
Timelines that begin on Mutual Acceptance are 1) Deposit of Earnest Money & 2) Inspection 23
Addendum 24

Property is being sold in "as-is" condition. No repairs of any kind will be made to the property. 26

This counteroffer shall expire at 9:00 p.m. on _____ (If not filled in, the second day following the date 28
of the last signature of the counterofferor below), unless it is sooner withdrawn. Acceptance shall not be effective 29
until a signed copy is received by the counterofferor, their broker or at the licensed office of their broker. If this 30
counteroffer is not so accepted, it shall lapse and the Earnest Money shall be refunded to Buyer. 31

All other terms and conditions of the above offer are incorporated herein by reference as though fully set forth. 32

Signature Date Signature Date

The above counteroffer is accepted.

Signature Date Signature Date



Sea 2 Sky Capital, LLC – Contact Information

Washington State Real Estate Broker License #91588
Notary Public License # 59522
NWMLS Office # 981
CBA Office # 1003918

Seller / Homeowner Information:

Borrower Name: _____ Co-Borrower Name: _____
Home Phone: _____ Fax: _____
Cell Phone: _____ Other Phone: _____
Email Addresses: _____

Property Information:

Property Address: _____
City: _____ State: _____ Zip: _____
Primary Residence Address: (if different) _____
City: _____ State: _____ Zip: _____

Property Status: Owner Occupied / Vacant / Rental

Has seller/borrower received a Notice of Trustee Sale? Yes/No Trustee Name: _____

Trustee Sale #: _____ Sale Date: _____ (if in less than 30 days, contact us before proceeding)

Have utilities been turned off? Yes / No Estimated unpaid balance on utilities in 120 days _____

Estimated unpaid Homeowners Association Dues: _____ Dues currently paid through (month/year) _____

Have homeowners had any judgments filed against them since buying the home? Yes / No

If yes, Judgment in favor of? _____ Amount? _____

Lender Information: (add additional loans/liens on separate page)

1st Lender: _____ Loan # _____

Principal Balance: _____ Arrears: _____

2nd Lender: _____ Loan # _____

Principal Balance: _____ Arrears: _____



Sea 2 Sky Capital, LLC – Agreement On Disclosures and Scope of Services

Washington State Real Estate Broker License #91588
Notary Public License # 59522
NWMLS Office # 981
CBA Office # 1003918

THIS IS AN IMPORTANT LEGAL DOCUMENT CONCERNING THE SALE OF YOUR HOUSE AND YOU ARE ADVISED TO CONSULT AN ATTORNEY BEFORE SIGNING THIS DOCUMENT AND THE AMENDMENT TO EXCLUSIVE LISTING AGREEMENT TO BE SIGNED IN CONJUNCTION WITH THIS DOCUMENT.

By signing this document you agree to the following (initial before each paragraph):

____ I am currently in default on my loan(s) and am unable to make up my back payments or continue making further payments. I reasonably believe that I have NO equity in this property.

____ I understand that my mortgage holder(s), even after agreeing to a short sale may require that the difference between the original balance and the negotiated balance be paid by me and hold me personally liable for such payment. Should the mortgage holder(s) not require payment of the difference, such act may constitute a taxable event. I acknowledge being advised to contact a tax advisor relating to the potential taxable consequences. I further understand that if the lender(s) accepts a short sale, this may or may not relieve me of my personal responsibility for the loan and may affect my credit score. I understand that I should contact the Federal Trade Commission at: <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm> to learn more about the potential impact of a Short Sale transaction on my credit and creditworthiness.

____ I understand that Sea 2 Sky Capital, LLC will attempt to obtain approval of a short sale with some or all of the owners of the liens on the Property. Sea 2 Sky Capital, LLC has not made me any promises, guarantees or representations about its ability to complete this task. I understand fully and completely that, if Sea 2 Sky Capital, LLC is not able to obtain approval of the short sale with the lender(s), the lender(s) may proceed with foreclosure.

____ I agree to waive any rights I may have to any prepaid or escrowed property taxes, insurance, homeowner’s association dues, county property tax refunds or other amounts held by any party in escrow, including, but not limited to lenders, homeowner’s associations and insurance companies.

____ I understand that a short sale must be an arms-length transaction, which means that I am prohibited from selling the property to anyone to whom I am related or with whom I have a close personal or business relationship.

____ I have had the opportunity to seek legal, tax and financial counsel as to the implications of this transaction. I understand that this document does not define or explain my rights or options, and I have had the opportunity to seek legal, financial, tax or other professional counsel to weigh my options, my rights and the legal consequences of this transaction. I agree that Sea 2 Sky Capital LLC and its employees have not and will not provide legal advice or representation of any kind. Their role is limited to providing real estate brokerage services which will include gathering and submitting information lienholders may need to approve my request to release liens on my property at closing for the entire net proceeds of the sale. I understand that it will be my responsibility to seek advice from an attorney and tax advisor concerning any agreement or approval of a short sale offered by a lienholder and whether I should proceed to sell my property under the terms of such approval or agreement.

I HAVE COMPLETELY READ THIS AFFIDAVIT BEFORE SIGNING IT AND I AGREE TO THE FACTS AND CONDITIONS CONTAINED HEREIN.

SELLER SIGNATURE DATE

SELLER SIGNATURE DATE

Property Address: _____

City, State, Zip: _____

Mailing Address: _____

City, State, Zip: _____

AUTHORIZATION TO RELEASE INFORMATION

Sea 2 Sky Capital, LLC (S2SC)
28128 NE 151st St • Duvall, WA 98019
Office 425-780-5342 • Fax 425-974-7476
lucy@sea2skycapital.com

I/We hereby authorize the Lenders identified below to discuss my short sale request with the individual representatives of S2SC that I have identified below as my Designated Agent(s). Further, the Lender(s) below are hereby authorized to negotiate the terms of the short sale with my Designated Agent and to deliver documents to my Designated Agent. This authorization will remain in effect until I specifically notify the Lender(s) in writing that this Authorization is of no further force and effect. It is understood that a photocopy or fax of this form will also serve as authorization.

My Designated Agent(s) Are:

1. Lucy McKie
2. Stacy Bradshaw

PROPERTY ADDRESS: _____

MAILING ADDRESS: _____

PHONE NUMBER : _____

1ST LENDER: _____

ACCOUNT NUMBER: _____

2ND LENDER: _____

ACCOUNT NUMBER: _____

BORROWER NAME

CO-BORROWER NAME

SIGNATURE

SIGNATURE

SOCIAL SECURITY# DOB

SOCIAL SECURITY # DOB

DATE

DATE



Sea 2 Sky Capital, LLC – Hardship Letter Template

Washington State Real Estate Broker License #91588
Notary Public License # 59522
NWMLS Office # 981
CBA Office # 1003918

Points to Cover in Your Hardship Letter

To Whom it May Concern,

1. Explain with some detail what happened. Explain why you can't make your mortgage payments. For example,
 - I got sick
 - I lost my job
 - Death in the family
 - Job transfer
 - Spouse/partner left
 - Renter moved out and cannot find anyone who will pay enough to cover the mortgage

2. Explain your budget shortfall:

“Each month we are short \$_____ to cover our monthly bills and living expenses. We have used our savings (and/or) we have used credit cards to make the payments. We cannot afford to do this anymore and have no choice but to sell our home (rental)”

3. Describe anything major that needs to be repaired in the house (roof, plumbing, electrical, foundation)
4. Ask for the lender's help.

“I want to short sell my house. Please work with this buyer and Sea 2 Sky Capital, LLC and approve this short sale request. I am totally out of money and don't want to see the house foreclosed.”

5. Thank the lender.

“Thank you so much for considering helping me. God bless you.”

6. Sign and date the letter.



Dodd-Frank Certification

The following information is requested by the federal government in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203). **You are required to furnish this information.** The law provides that no person shall be eligible to begin receiving assistance from the Making Home Affordable Program, authorized under the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 *et seq.*), or any other mortgage assistance program authorized or funded by that Act, if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud, or forgery, (B) money laundering or (C) tax evasion.

I/we certify under penalty of perjury that I/we have not been convicted within the last 10 years of any one of the following in connection with a mortgage or real estate transaction:

- (a) felony larceny, theft, fraud, or forgery,
- (b) money laundering or
- (c) tax evasion.

I/we understand that the servicer, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate Federal law.

This Certificate is effective on the earlier of the date listed below or the date received by your servicer.

Borrower Signature

Date

Co-Borrower Signature

Date



Making Home Affordable Program Request for Mortgage Assistance (RMA)



Request For Mortgage Assistance (RMA) page 1

COMPLETE ALL PAGES OF THIS FORM

Requesting mortgage assistance for mortgage loan number:

- I/We want to:** Keep the property Sell the property
- The property is my/our:** Primary residence Second home Investment property
- The property is:** Owner occupied Renter occupied Vacant

Borrower information

Borrower		Co-borrower	
Borrower's name		Co-borrower's name	
Social Security number	Date of birth	Social Security number	Date of birth
Home phone number ()		Home phone number ()	
Cell phone number ()		Cell phone number ()	
Work phone number ()		Work phone number ()	
Email address		Email address	
Mailing address		Mailing address <i>(if different than borrower's)</i>	

Have you contacted a credit-counseling agency for help? Yes No

If yes, complete counselor contact information below.

Counselor's name: _____ Counselor's phone number: () _____

Counselor's email: _____

Is any borrower a servicemember? Yes No

If yes, have you recently been deployed away from your principal residence or recently received a permanent change of station order?

Yes No

Have you filed for bankruptcy? Yes No

If yes: Chapter 7 Chapter 11 Chapter 12 Chapter 13

Filing date: _____ Has your bankruptcy been discharged? Yes No

Bankruptcy case number: _____

Please note that if you have or will receive a discharge from a bankruptcy case, and the mortgage was not reaffirmed in the bankruptcy case, we will only exercise our rights against the property and are not attempting any act to collect the discharged debt from you personally. Additionally, your decision to discuss workout options with us is strictly voluntary. You are not obligated to pursue any workout options discussed with us. At your request, we will immediately terminate any such discussions should you no longer wish to pursue these options.

How many single family properties other than your principal residence do you and/or any co-borrower(s) own individually, jointly, or with others?

Has the mortgage on your principal residence ever had a Home Affordable Modification Program (HAMP) trial period plan or permanent modification?

Yes No

Has the mortgage on any other property that you or any co-borrower own had a permanent HAMP modification?

Yes No

If yes, how many? _____

Are you or any co-borrower currently in or being considered for a HAMP trial period plan on a property other than your principal residence?

Yes No

Principal residence information

Note: If you are requesting mortgage assistance, you must complete this section even if you are not seeking mortgage assistance on your principal residence.

Principal residence loan number

Principal residence servicer name

Property address (if same as mailing address, write "same")

Number of people who live in the home

Is this property listed for sale? Yes No

If yes, what was property listing date? _____

Have you received an offer on the property? Yes No

Date of offer: _____ Amount of offer: \$ _____ Closing date: _____

Agent/Agency name: _____ Agent/Agency phone number () _____

For sale by owner? Yes No

Who pays the real estate tax bill on your property? I do Servicer does

Are the taxes current? Yes No

Monthly condominium or homeowners association fee? Yes \$ _____

Are fees paid current? Yes No

Paid to (Name and Address) _____

Who pays the homeowners insurance policy for your property?

I do Servicer does Paid by condominium or homeowners association (HOA)

Is the policy current? Yes No

If paid by you or your condominium or HOA, name of insurance company: _____

Insurance company phone number: () _____

Annual homeowners insurance: \$ _____

If there are additional liens/mortgages or judgments on this property, name the person(s), company or firm and phone number(s).

Lien holder's name/Servicer: _____ Phone number: () _____

Loan number: _____ Balance: \$ _____

Lien holder's name/Servicer: _____ Phone number: () _____

Loan number: _____ Balance: \$ _____

Complete this section ONLY if you are requesting mortgage assistance with a property that is not your principal residence.

Principal residence servicer name: _____

Principal residence phone number: () _____

Is the mortgage on your principal residence paid? Yes No

If no, number of months your payment is past due (if known): _____

Hardship Affidavit

I am requesting review under the Making Home Affordable Program. I am having difficulty making my monthly payment because of financial difficulties created by (check all that apply):

My household income has been reduced. For example: reduced pay or hours, decline in business earnings, death, disability or divorce of a borrower or co-borrower.

My monthly debt payments are excessive and I am overextended with my creditors. Debt includes credit cards, home equity or other debt.

My expenses have increased. For example: monthly mortgage payment reset, high medical or health care costs, uninsured losses, increased utilities or property taxes.

My cash reserves, including all liquid assets, are insufficient to maintain my current mortgage payment and cover basic living expenses at the same time.

I am unemployed and (a) I am receiving/will receive unemployment benefits or (b) my unemployment benefits ended less than 6 months ago.

Other

Explanation (continue on back of page 3 if necessary):

Income/expenses for household

Important note: All income must be documented.

Combined income and expense of borrower and co-borrower

You are not required to disclose child support, alimony or separation maintenance income unless you choose to have it considered by your servicer.

1 Monthly household income		2 Monthly household expenses/debt		3 Household assets	
Monthly gross wages	\$	First mortgage payment	\$	Checking account(s)	\$
Overtime	\$	Second mortgage payment/ other liens	\$		\$
Borrower start date of employment (MMDDYYYY)		Homeowners insurance ¹	\$	Savings/money market account(s)	\$
Co-borrower start date of employment (MMDDYYYY)		Property taxes ²	\$		\$
Borrower other employment start date (MMDDYYYY) (If borrower has a second job)		Credit cards/installment loan(s) (<i>total minimum payment per month</i>)	\$	Certificate(s) of deposit (CDs)	\$
Co-borrower other employment start date (MMDDYYYY)		Alimony/separation maintenance/child support payments	\$		\$
Child support/alimony/separation maintenance	\$	Net rental expenses/ property maintenance expenses	\$		\$
Non-taxable Social Security/Social Security Disability Insurance	\$	Homeowners association/ condominium fees	\$	Stocks/bond(s)	\$
Taxable Social Security benefits	\$	Child care expenses	\$		\$
Other monthly income from pensions, annuities or retirement plans	\$	Car payments, including car lease payments	\$	Other cash on hand	\$
Tips, commissions and bonus income	\$	Car insurance/gas/ maintenance	\$	Other real estate (<i>estimated value</i>)	\$
Self-employment income	\$	Health insurance/medical expenses	\$	Other	\$
Unemployment income	\$	Life insurance premiums (not withheld from pay)	\$		\$
Start date of unemployment (MMDDYYYY)		Groceries	\$		\$
Gross rent received ³	\$	Water/sewer/utilities	\$		\$
Boarder income	\$	Internet/cable/satellite/cell phone/home phone	\$	Do not include retirement plans when calculating assets (<i>401(k), pension funds, annuities, IRAs, Keogh plans, etc.</i>)	
Food stamps/Welfare	\$	Personal loans/tuition	\$		
Other (<i>investment income, royalties, interest, dividends, etc.</i>)	\$	Charitable contributions	\$		
		Mortgage payments for other properties ⁴			
		Other	\$		
Total (gross income)	\$	Total debts/expenses	\$	Total assets	\$

1. Only include your homeowners insurance payment if you pay this amount yourself.

2. Only include your property tax payments if you pay them yourself.

3. Include rental income received from all properties you own EXCEPT a property for which you are seeking mortgage assistance in the following section.

4. Include mortgage payments on all properties you own EXCEPT your principal residence and the property for which you are seeking mortgage assistance in the following section.

Information about your other properties

Other properties owned

You must provide information about all properties that you or the co-borrower own, other than your principal residence and the property that you are requesting assistance for. (See below.) Use additional sheets if necessary.

Other Property #1

Property address: _____

Loan number: _____ Servicer name: _____

Mortgage balance: \$ _____ Current value: \$ _____

Property is: Vacant Second or seasonal home Rented

Gross monthly rent: \$ _____ Monthly mortgage payment*: \$ _____

Other Property #2

Property address: _____

Loan number: _____ Servicer name: _____

Mortgage balance: \$ _____ Current value: \$ _____

Property is: Vacant Second or seasonal home Rented

Gross monthly rent: \$ _____ Monthly mortgage payment*: \$ _____

Other Property #3

Property address: _____

Loan number: _____ Servicer name: _____

Mortgage balance: \$ _____ Current value: \$ _____

Property is: Vacant Second or seasonal home Rented

Gross monthly rent: \$ _____ Monthly mortgage payment*: \$ _____

* The amount of the monthly payment made to your Servicer – including, if applicable, monthly principal, interest, real property taxes and insurance premiums.

Other property for which assistance is requested

Complete this section ONLY if you are requesting mortgage assistance with a property that is not your principal residence.

I am requesting mortgage assistance with a rental property. Yes No

I am requesting mortgage assistance with a second or seasonal home. Yes No

If yes to either, I want to: Keep the property Sell the property

Property address: _____

Loan number: _____

Do you have a second mortgage on the property? Yes No

If yes, Servicer name: _____ Loan number: _____

Do you have condominium or homeowner association (HOA) fees? Yes No

If yes, monthly fee: \$ _____

Are HOA fees paid current? Yes No

Name and address that fees are paid to: _____

Does your mortgage payment include taxes and insurance? Yes No

If no, are the taxes and insurance paid current? Yes No

If insurance is paid by you or HOA, name of insurance company: _____ Insurance company phone number: (____) _____

Annual homeowners insurance: \$ _____ Annual property taxes: \$ _____

If requesting assistance with a rental property, property is currently:

Vacant and available for rent Occupied without rent by your legal dependent, parent or grandparent as their principal residence

Occupied by a tenant as their principal residence Other _____

If rental property is occupied by a tenant:

Term of lease / occupancy: ____/____/____ - ____/____/____
MM / DD / YYYY MM / DD / YYYY

Gross monthly rent: \$ _____

If rental property is vacant, describe efforts to rent property: _____

If applicable, describe relationship of and duration of non-rent paying occupant of rental property: _____

Is the property for sale? Yes No

If yes, listing agent's name: _____ Phone number: (____) _____

List date: _____

Have you received a purchase offer? Yes No

Amount of offer: \$ _____ Closing date: _____

Rental Property Certification

You must complete this certification if you are requesting a mortgage modification with respect to a rental property.

By checking this box and initialing below, I am requesting a mortgage modification under MHA with respect to the rental property as previously described and I hereby certify under penalty of perjury that each of the following statements is true and correct with respect to that property:

1. I intend to rent the property to a tenant or tenants for at least five years following the effective date of my mortgage modification. I understand that the servicer, the U.S. Department of the Treasury, or their respective agents may ask me to provide evidence of my intention to rent the property during such time. I further understand that such evidence must show that I used reasonable efforts to rent the property

to a tenant or tenants on a year-round basis, if the property is or becomes vacant during such five-year period. Note: The term "reasonable efforts" includes, without limitation, advertising the property for rent in local newspapers, websites or other commonly used forms of written or electronic media, and/or engaging a real estate or other professional to assist in renting the property, in either case, at or below market rent.

2. The property is not my secondary residence and I do not intend to use the property as a secondary residence for at least five years following the effective date of my mortgage modification. I understand that if I do use the property as a secondary residence during such five-year period, my use of the property may be considered to be inconsistent with the certifications I have made herein. Note: The term "secondary residence" includes, without limitation, a second home, vacation home or other type of residence that I personally use or occupy on a part-time, seasonal or other basis.

3. I do not own more than five (5) single-family homes (i.e., one-to-four unit properties) (exclusive of my principal residence).

Notwithstanding the foregoing certifications, I may at any time sell the property, occupy it as my principal residence, or permit my legal dependent, parent or grandparent to occupy it as their principal residence with no rent charged or collected, none of which will be considered to be inconsistent with the certifications made herein.

This certification is effective on the date I signed this form or the date the RMA is received by your Servicer.

Initials: Borrower: _____ Co-borrower: _____

Dodd-Frank Certification

The following information is requested by the federal government in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L.111-203). **You are required to furnish this information.** The law provides that no person shall be eligible to begin receiving assistance from the Making Home Affordable Program, authorized under the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.), or any other mortgage assistance program authorized or funded by that Act, if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud, or forgery, (B) money laundering or (C) tax evasion.

I certify under penalty of perjury that I have not been convicted within the last 10 years of any one of the following in connection with a mortgage or real estate transaction:

- (a) felony larceny, theft, fraud, or forgery,
- (b) money laundering or
- (c) tax evasion.

I understand that the servicer, the U.S. Department of the Treasury, or their respective agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I have not been convicted of such crimes. I also understand that knowingly submitting false information may violate Federal law. This certification is effective on the date I signed this form or the date this RMA is received by your servicer.

Borrower and Co-Borrower Acknowledgment and Agreement

1. I certify that all of the information in this RMA is truthful and the hardship(s) identified above has contributed to submission of this request for mortgage relief.

2. I understand and acknowledge that the Servicer, the U.S. Department of the Treasury, the owner or guarantor of my mortgage loan, or their respective agents may investigate the accuracy of my statements, may require me to provide additional supporting documentation and that knowingly submitting false information may violate Federal and other applicable law.

3. I authorize and give permission to the Servicer, the U.S. Department of Treasury, and their respective agents, to assemble and use a current consumer report on all borrowers obligated on the loan to investigate each borrower's eligibility for MHA and the accuracy of my statements and any documentation that I provide in connection with my request for assistance. I understand that these consumer reports may include, without limitation, a credit report, and be assembled and used at any point during the application process to assess each borrower's eligibility thereafter.

4. I understand that if I have intentionally defaulted on my existing mortgage, engaged in fraud or if it is determined that any of my statements or any information contained in the documentation that I provide are materially false and that I was ineligible for assistance under MHA, the Servicer, the U.S. Department of the Treasury, or their respective agents may terminate my participation in MHA, including any right to future benefits and incentives that otherwise would have been available under the program, and also may seek other remedies available at law and in equity, such as recouping any benefits or incentives previously received.

5. I certify that any property for which I am requesting assistance is a habitable residential property that is not subject to a condemnation notice.

6. I certify that I am willing to provide all requested documents and to respond to all Servicer communications in a timely manner. I understand that time is of the essence.

7. I understand that the Servicer will use the information I provide to evaluate my eligibility for available relief options and foreclosure alternatives, but the Servicer is not obligated to offer me assistance based solely on the representations in this document or other documentation submitted in connection with my request.

8. I am willing to commit to credit counseling if it is determined that my financial hardship is related to excessive debt.

9. If I am eligible for assistance under MHA, and I accept and agree to all terms of an MHA notice, plan or agreement, I also agree that the terms of this Acknowledgment and Agreement are incorporated into such notice, plan or agreement by references as if set forth therein full. My first timely payment, if required, following my Servicer's determination and notification of my eligibility or prequalification for MHA assistance will serve as my acceptance of the terms set forth in the notice, plan, or agreement sent to me.

10. I understand that the Servicer will collect and record personal information, including, but not limited to, my name, address, telephone number, Social Security number, credit score, income, payment history, government monitoring information, and information about account balances and activity. I understand and consent to the disclosure of my personal information and the terms of any Making Home Affordable Agreement by Servicer to (a) the U.S. Department of the Treasury or its agents, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Homeowner Affordability and Stability Plan; (c) any investor, insurer, guarantor or Servicer that owns, insures, guarantees or services my first lien or subordinate lien (if applicable) mortgage loan(s); (d) companies and or individuals that perform support services in conjunction with home preservation mortgage assistance efforts; (e) auditors, including but not limited to independent auditors, regulators and agencies and (f) any HUD-certified housing counselor.

11. I consent to being contacted concerning this request for mortgage assistance at any email address or cellular or mobile telephone number I have provided to the Servicer. This includes text messages and telephone calls to my cellular or mobile telephone.

Borrower signature(s):

The undersigned certifies under penalty of perjury that all statements in this document are true and correct.

Borrower signature

Co-borrower signature

Borrower Social Security number

Co-borrower Social Security number

Borrower date of birth

Co-borrower date of birth

Date

Date

Contacts — if you have questions

If you have questions about this document or your available options, please contact your home preservation specialist.

If you have questions about your options that your Servicer cannot answer or if you need further counseling, call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673). A Hotline counselor will help you by answering questions about your available options and providing you with free HUD-certified counseling services in English and Spanish.

Information for government monitoring purposes

The following information is requested by the federal government in order to monitor compliance with federal statutes that prohibit discrimination in housing. **You are not required to furnish this information, but are encouraged to do so. The law provides that a lender or Servicer may not discriminate either on the basis of this information, or on whether you choose to furnish it.** If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, the lender or Servicer is required to note the information on the basis of visual observation and surname if you have made this request for assistance in person. **If you do not wish to furnish the information, please check the box below.**

Borrower	<input type="checkbox"/> I do not wish to furnish this information.	Co-borrower	<input type="checkbox"/> I do not wish to furnish this information.
Ethnicity:	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity:	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race:	<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race:	<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex:	<input type="checkbox"/> Female <input type="checkbox"/> Male	Sex:	<input type="checkbox"/> Female <input type="checkbox"/> Male

To be completed by interviewer

- This application was taken by:
- Face-to-face interview
 - Mail
 - Telephone
 - Internet

Interviewer's name (print or type)	Interviewer's ID number
Interviewer's signature	Date
Interviewer's phone number (include area code)	
Name /Address of interviewer's employer	

Notice to Borrower

Be advised that you are signing this document under penalty of perjury. Any misstatement of material fact made in the completion of these documents including but not limited to misstatement regarding your occupancy in your home, hardship circumstances, and/or income will subject you to potential criminal investigation and prosecution for the following crimes: perjury, false statements, mail fraud, and wire fraud. The information contained in these documents is subject to examination and verification. Any potential misrepresentation will be referred to the appropriate law enforcement authority for investigation and prosecution.

If you are aware of fraud, waste, abuse, mismanagement or misrepresentations affiliated with the Troubled Asset Relief Program, please contact the SIGTARP Hotline by calling 1-877-SIG-2009 (toll-free), 202-622-4559 (fax), or www.sig tarp.gov. Mail can be sent to Hotline Office of the Special Inspector General for Troubled Asset Relief Program, 1801 L St. NW, Washington, DC 20220.



Request for Transcript of Tax Return

▶ Request may be rejected if the form is incomplete or illegible.

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.	

Caution. If the tax transcript is being mailed to a third party, ensure that you have filled in lines 6 through 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your IRS transcript to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your transcript information, you can specify this limitation in your written agreement with the third party.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ 1040

a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days

b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days

c Record of Account, which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 Verification of Nonfiling, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2010, filed in 2011, will not be available from the IRS until 2012. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution. If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately. 2009 2010 2011

Check this box if you have notified the IRS or the IRS has notified you that one of the years for which you are requesting a transcript involved **identity theft** on your federal tax return

Caution. Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of the signature date.

		Phone number of taxpayer on line 1a or 2a
Signature (see instructions)	Date	
Title (if line 1a above is a corporation, partnership, estate, or trust)		
Spouse's signature	Date	



*Washington Department of Licensing
Washington Department of Financial Institutions*

Short Sale Seller Advisory

Recent economic challenges have resulted in many homeowners needing to sell their home but owing more on their home than the home is worth. This advisory is intended to provide information to sellers in that situation.

A short sale is a real estate transaction in which the sales price is insufficient to pay the debt(s) and obligations encumbering the property along with the costs of sale, AND the seller is unable to pay the difference. Every short sale is dependent upon the seller's lender(s) consenting to the transaction and agreeing to release the lender's security interest in exchange for less than what is owed. In some cases however, the lender's approval of a short sale does not necessarily mean the lender relieves the seller of liability for repayment of the entire debt.

It is possible the seller can sell the home and still owe the unpaid difference, plus interest and penalties, to the lender (the "deficiency"). The lender may then seek a deficiency judgment against the seller for this difference. . If the judgment is issued by a court, it could be in effect for up to 20 years if not paid sooner This is one of the most fundamental issues that sellers must address in considering whether to sell property as a short sale.

Simply "Walking Away" from the property through foreclosure also does not necessarily relieve a seller of these debts as while Washington State is a "non-deficiency" state, that only pertains to the foreclosing party. A homeowner could lose their property to foreclosure generally to the 1st mortgage lien holder and still owe the balance(s) from the 2nd mortgage or other lien holders.

A short sale is a very complex transaction that involves numerous issues as well as legal and financial risks. This Advisory is designed to address some of these issues and risks, but does not purport to be fully comprehensive. The Advisory also does not replace the need for legal counsel, tax and other professional advice. All sellers are advised to seek the advice of a lawyer and tax professional before proceeding with a short sale.

Before Proceeding with a Short Sale

Understand a Lender's creditors Options upon Loan Default

There are many types of liens and other obligations that are secured by real estate. These may be purchase loans, refinance loans, home equity lines of credit, contractor liens, IRS tax liens, DSHS liens for unpaid child support, or other obligations. The type of debt and

type of property will determine what remedies a lender may have if you fail to make the required payments. The lender's policies regarding forgiveness of debt, the tax consequences, your overall current or potential future financial strength, the lender's willingness and procedure for processing a short sale request, and the number and nature of other recorded encumbrances (second mortgages for example) on the property are some of the many factors a seller should consider in deciding whether to pursue a short sale.

Be Aware of Predatory "Rescue" Scams & Short Sale Fraud

Homeowners worried about foreclosure may be susceptible to predatory "rescue" scams which may cost money with no results, result in the loss of the home entirely, or involve the seller in a fraudulent scheme. For more info, visit www.efanniemae.com/utility/legal/pdf/fraudnews/mortgagefraudnews0709.pdf.

"Red Flags" of fraudulent schemes include:

- Guarantees to stop the foreclosure
- A promise that you can buy the house back or stay in the house following transfer of title
- Upfront fees
- Instructions not to contact the lender
- Transfer of title or lease of the property
- Requests that the homeowner execute a power of attorney

Report suspected scams to the Department of Financial Institutions at: www.dfi.wa.gov or 1-877-RINGDFI (746-4334).

Contact a Free HUD-Approved Housing Counselor or Contact Your Lender Directly

- Contact a HUD-approved housing counseling agency online at http://portal.hud.gov/portal/page/portal/HUD/i_want_to/talk_to_a_housing_counselor
- or call (800) 569-4287 or TDD (800) 877-8339 for advice on your options. For additional HUD resources: http://portal.hud.gov/portal/page/portal/HUD/topics/avoiding_foreclosure
- Contact the Neighborhood Assistance Corporation of America at: www.naca.com/refinance/refinanceTenStep.jsp
- Try contacting the lender directly. To find the lender's contact information, check the loan billing statement, or coupon book. Ask for the lender's home retention department, loss mitigation department, (or other department that handles negotiation of loans in default); explain the situation and find out if the lender is willing to discuss options.

Utilize Free Services Available to Washington Residents

- Non profit counseling to try to avoid foreclosure: 1-877-894-HOME (4663). If legal advice is needed, callers will be referred to a pro bono attorney through the Washington State Bar Association.
- More help and resources are available at www.WAHomeowners.com.

Obtain Legal Advice

An attorney can advise you about your options and legal liability. You may be able to receive free or reduced fee legal assistance from one of these sources:

- Northwest Justice Project, <http://www.nwjustice.org>, (206) 464-1519 or 1-888-201-1012;
- Your county's local Bar Association.

Obtain Tax Advice

- For Mortgage Forgiveness Debt Relief Act and Debt Cancellation tax information, go to www.irs.gov/individuals/article/0,,id=179414,00.html

Be Aware of the Consequences of Committing “Waste”

Damaging the property or removing fixtures such as sinks, toilets, cabinets, air conditioners, and water heaters may result in liability to the lender for “waste.” In other words, the lender may be able to sue you for damages if you have physically abused, damaged or destroyed any part of the property.

Short Sale Considerations

FIRST, Understand that a Short Sale May not Discharge the Debt.

You should know whether you will still owe your lender money (a deficiency) after the short sale. You should know this BEFORE you close the sale of your home.

Even if a lender agrees to a short sale, the lender and any junior lien holders, may not agree to forgive the debt entirely and may require you to pay the difference as a personal obligation. This outstanding personal obligation could result in a subsequent collection action against you. For example, a lender may accept the short sale purchase price to “release the lien” on the property but still require you to pay the full amount of the original debt. You must be certain of the terms of any short sale before making a decision. All agreements between you and the lender must be in writing. Consult an attorney regarding whether the lender is entitled to pursue collection of any deficiency. Obtain any debt forgiveness agreements with the lender in writing but be aware that the language used in these agreements can be extremely confusing and even misleading. Seek the advice of legal counsel before accepting the lender's terms.

SECOND, Understand that a short sale may result in a higher tax debt.

A short sale in which the debt is forgiven is considered a relief of debt and may be treated as income for tax purposes. The Mortgage Forgiveness Debt Relief Act of 2007 created a limited exemption to allow homeowners to pay no taxes on debt forgiveness; however, only cancelled debt used to buy, build or improve a principal residence or refinance debt incurred for those purposes qualifies for this tax exemption. For more information on the tax consequences of debt relief, seek professional tax advice and go to www.irs.gov and conduct a search regarding the Tax Relief Act.

If you decide to pursue a short sale, understand that the process will likely take several months or more to complete. Consider taking the following actions.

Contact a Qualified Real Estate Professional

Interview several real estate professionals and ask about their experience in short sales, the number of short sale transactions they have handled, their education and training in short sales and inquire about any past or pending lawsuits or disciplinary actions.

Investigate Documentation and Eligibility

Documentation and eligibility criteria for short sales vary depending on specific lender and investor guidelines. Generally, you must prove that you are financially incapable of paying the loan. The lender will consider this when determining the costs of accepting the short sale versus foreclosing. You will have to document your financial situation. If you have funds to pay the deficiency, a lender will not necessarily allow a short sale. However, some lenders will not require you to dip into retirement accounts to fund the deficiency. These issues will have to be negotiated with your lender.

Determine the Amount Owed on the Property

All debt and costs must be factored in before a lender can determine whether a short sale is more economical for them. The analysis will include the delinquent loan, all other recorded debt (past due homeowner's association fees, unpaid property taxes), and the costs of a sale (closing costs, brokerage commissions, and necessary repairs). If you have more than one loan on the property, a short sale will require the approval of all lenders.

Determine the Estimated Fair Market Value of the Property

You must prove to the lender that the home is worth less than the unpaid loan balance plus closing costs. Consult a real estate professional or an appraiser for assistance in estimating the value of the property.

Consult Legal Counsel

Legal counsel can help you determine whether a short sale is the best option and can advise you during the short sale process. A short sale is a complex transaction.

Be Aware of the Impact on Your Credit Score

The impact of a short sale on your credit score depends upon a variety of factors, including late or missed payments. A short sale may appear on your credit report as "pre-foreclosure redemption," "paid in full for less than full balance" or other similar term. It is possible that a short sale will have a different impact on your credit than a foreclosure or deed in lieu of foreclosure (or any other outcome). But, beware that once you miss mortgage payments, your credit rating will be severely impacted. Some lenders will tell you that they will not consider you as a short sale candidate unless you are behind on payments. Do not intentionally withhold mortgage payments, solely for short sale consideration, without first consulting legal counsel.

Understand There May Be a Waiting Period Before You Can Buy another Home

Your ability to qualify for a loan to purchase another home after a short sale will likely be impacted because of the impact on your credit score. It may be some time before a lender will loan you the money to purchase another home.

Home Affordable Foreclosure Alternative (HAFA) Program

The HAFA program was designed to give homeowners alternatives to a foreclosure, which include incentives for completing a short sale. If your home sale can close as a HAFA transaction, you will emerge owing no deficiency. However, it can be very difficult to qualify as a HAFA transaction. For more information on the options available, visit the HAFA program website www.makinghomeaffordable.gov/hafa.html

To find the option for which you may be eligible.

See www.makinghomeaffordable.gov/eligibility.html

To find out if your mortgage servicer participates in the HAFA program go to www.makinghomeaffordable.com/contact_servicer.html

For More Information, Visit: The Washington Department of Financial Institutions website: www.dfi.wa.gov

Options other than Short Sale

Consider All Options

A short sale may not be your best course of action. Consider all your options before making a decision.

Loan Workout

- Reinstatement: Paying the total amount owed by a specific date in exchange for the lender agreeing not to foreclose.
- Forbearance: An agreement to reduce or suspend payments for a short period of time.
- Repayment Plan: An agreement to resume making monthly payments with a portion of the past due payments each month until they are caught up.
- Claim Advance/Partial Claim: If the loan is insured, a homeowner may qualify for an interest-free loan from the mortgage guarantor to bring the account current.

Loan Modification

The lender may agree to change the terms of the original loan to make the payments more affordable. For example, missed payments can be added to the existing loan balance, the interest rate may be modified or the loan term extended. Lenders may use government program modifications or may use their own criteria. Loan modifications may be temporary or permanent. Loan modification resources include:

- Making Homes Affordable: www.makinghomeaffordable.gov
- National Foreclosure Mitigation Counseling Program: <http://findaforeclosurecounselor.org/network/home.asp>
- Homeownership Preservation Foundation: www.995hope.org

Refinance

If the lender will not agree to a loan workout or modification, the homeowner may be able to refinance the loan with another lender. The HOPE for Homeowners program will refinance mortgages for homeowners that can afford a new loan insured by HUD's Federal Housing Administration. Learn more at http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-190

Deed-in-Lieu of Foreclosure

The lender may allow a homeowner to “give back” the property. This option may not be available if there are other liens recorded against the property. If a lender accepts title to property in Washington State through a deed in lieu of foreclosure, the owner’s debt owing to that lender is likely forgiven but sellers should have their paperwork reviewed by legal counsel to insure that outcome.

Work Out Sale

The lender may allow a specific amount of time for the home to be sold and the loan to be paid off. The lender may also allow a buyer to assume the loan as a method to purchase the property even if the original loan was non-assumable.

Bankruptcy

If you are considering bankruptcy as an option, consult with an attorney that specializes in bankruptcy law.

Foreclosure

Allowing the lender to foreclose is another option. With a foreclosure, the foreclosing lender may be prohibited from seeking any additional payment from you. However, other creditors with debt secured by the real property may still be able to claim the amounts owing to them. There are other pros and cons to allowing foreclosure. Ultimately, only you and an attorney can decide if foreclosure is the best option for you. Ask an attorney about the possibility of owing money to any of your creditors after foreclosure, the impact on your credit rating, and tax consequences. Also, seek professional tax advice about the tax consequences of a foreclosure and review the IRS information at www.irs.gov.

SELLER ACKNOWLEDGMENT

Seller acknowledges receipt of this Advisory and further acknowledges there may be other issues of concern not listed herein. The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact an attorney.

Seller Signature

Date

Seller Signature

Date

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