

Short Sales Initiated with Offer[†]

Quick Reference Guide for Real Estate Professionals

Bank of America  Home Loans

This guide outlines milestones, tasks and tips for short sales that have been initiated after the customer has received an offer. Our improved short sale tools, including resources at bankofamerica.com/realestateagent and the short sale processing system at **Equator.com**, will help you manage transactions and achieve timely closings. A short sale initiated with an offer will typically take from 6 to 18 weeks, and we are continually working to further reduce this time.

Customer Care
1.866.880.1232

8:00 a.m. to 10:00 p.m. Eastern, Monday to Friday
9:00 a.m. to 5:30 p.m. Eastern, Saturday


Timeline and Milestones for Short Sales Initiated with an Offer

	Initiation	Borrower Outreach	Document Collection	Valuation	Offer Analysis	Closing
Key Steps for Agents	<ul style="list-style-type: none"> Create a free account at Equator.com Initiate the short sale Identify all liens on the property and begin negotiating their release 	<ul style="list-style-type: none"> Complete Upload 3rd Party Authorization task Complete Borrower Contact Information task If "HAFA Action Required" alert is received, ensure homeowner contacts Customer Care promptly 	<ul style="list-style-type: none"> Complete Submit Short Sale Offer task Complete Upload Offer Documents task Complete Upload Supporting Documents task Upload requested homeowner documents, if any, to Equator Library within 14 days of initiation 	<ul style="list-style-type: none"> Help to schedule home valuation, if requested 	<ul style="list-style-type: none"> Respond to any counter offers prior to expiration date (update closing date each time a counter offer is submitted) Complete Upload Updated HUD task to reflect current offer details; negotiate external third party fees prior to HUD-1 submission Communicate any stipulations or changes, if needed, to seller/buyer's agent 	<ul style="list-style-type: none"> Complete Is Closing on Schedule? task 5 days prior to scheduled closing date Complete Supply Settlement Statement task 3 business days prior to settlement date indicated on the HUD-1 Complete Closing Complete task
Key Steps for Bank of America		<ul style="list-style-type: none"> Review for HAFA eligibility Review Third-Party Authorization 	<ul style="list-style-type: none"> Assign a Short Sale Specialist Validate offer and supporting documents Determine required homeowner documents Verify homeowner documents have been received within 14 days of initiation 	<ul style="list-style-type: none"> Determine the fair market value of the property Review loan status and payoff information 	<ul style="list-style-type: none"> Analyze collected information and negotiate offer to be presented to investors Submit offer to mortgage insurers and investor(s), as needed Receive approval, decline, or renegotiate stipulations from investor(s) Notify agent and seller of final decision from investor 	<ul style="list-style-type: none"> Issue approval letter Assign a Closing Officer Work with agent and title company to ensure sale closes by date indicated in approval letter
Status in Equator	<ul style="list-style-type: none"> Initiation 	<ul style="list-style-type: none"> Borrower Outreach Transferred 	<ul style="list-style-type: none"> Offer Submission Document Collection Underwriting 	<ul style="list-style-type: none"> Valuations 	<ul style="list-style-type: none"> Offer Analysis 	<ul style="list-style-type: none"> Closing Sold
Equator Automated Status Notification			<ul style="list-style-type: none"> Notification when Document Collection is complete 	<ul style="list-style-type: none"> Notification when Valuation is complete 	<ul style="list-style-type: none"> Notification when Offer Analysis is complete and offer is ready for investor(s) review Notification if the decision taking longer than expected 	
Typical Time Frame			1 to 2 weeks	1 to 3 weeks	2 to 7 weeks	2 to 6 weeks

Estimated Total Time: 6 to 18 weeks*

(*Dependent on agent's completing tasks within timeframe and accurate documentation submitted, loan complexity and investor response)

†Note: This guide is not applicable to HAFA, FHA or VA short sales. To initiate an FHA or VA short sale, contact Customer Care at 1.866.880.1232. Short sales initiated with an offer will be evaluated to determine if the homeowner is eligible to be reviewed for HAFA participation. If eligible, the homeowner will need to call Customer Care to discuss the program.

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Agent Checklist

Agent-Assigned Tasks

This section details the tasks you will complete in Equator during the Borrower Outreach and Document Collection milestones. To expedite the process, please complete tasks promptly and ensure information is accurate and complete.

1. Upload Third-Party Authorization Form

- Borrower-signed approval to release information to a third party

2. Borrower Contact Information

- Enter borrower's contact information

3. Submit Short Sale Offer (Fill out the Offer Worksheet.)

To avoid delays, always submit your highest and best offer.

- Agency
- Buyer
- Financing
- Offer (price, fees, closing costs and expected closing date)

4. Upload Offer Documents

- Fully executed purchase contract

5. Upload Supporting Documents

- Photo of the property
- Buyer prequalification letter or proof of funds
- Preliminary Settlement Statement or HUD-1
- MLS Sheet and Number

Homeowner Documents (Required for each borrower on the loan.)

Your short sale specialist will contact you for homeowner documentation and information required by the investor(s). Work with the homeowner to upload all required documents to the Equator library within 14 days of initiating the short sale. Homeowners may choose to submit documents on their own. In this case, direct them to Customer Care at 1.866.880.1232, where they will be given access to the homeowner portal.

Most commonly required documents include:

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

Note: Additional documentation, such as a promissory note or arms-length affidavit, may be required as a stipulation of investor approval.

Education and Resources

Bank of America offers online education and resources to help agents achieve a smoother short sale process.

As a real estate professional, you can access the Real Estate Agent Resource Center at bankofamerica.com/realestateagent for information including:

- **Education Library** – Short sale guides and webinar replays
- **What's New** – The latest updates and improvements; stay informed with an email subscription
- **Events** – Upcoming seminars and webinars

Homeowners can get further information, including resources to help them transition out of their homes, by visiting bankofamerica.com/homeloanhelp.

Personal Support from a Dedicated Team

We have a team of experienced short sale professionals ready to assist you through each stage of the short sale process.

If you have questions or concerns, you can contact us in a variety of ways.

1. Reach your short sale specialist and closing officer directly through Equator messaging.
2. Access helpful information by visiting bankofamerica.com/realestateagent.
3. Contact Short Sale Customer Care at **1.866.880.1232**
Monday to Friday from 8:00 a.m. to 10:00 p.m.
Saturday from 9:00 a.m. to 5:30 p.m. Eastern.

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10 Tips for Efficient Short Sales

1. Educate yourself about the short sale process.

Experience shows that agents who are educated and experienced with short sales have greater success. To learn more:

- Visit the Real Estate Agent Resource Center at bankofamerica.com/realestateagent.
- Familiarize yourself with the Equator system.
- Communicate with your short sale specialist to learn the process and discuss issues.
- Build a network with other agents experienced in short sales.

2. Set expectations.

Help sellers and buyers understand that a short sale is a complex and highly specialized transaction. They should know that the process can be lengthy, cash transactions are not given preferential treatment, and foreclosure is not delayed by the short sale process, but runs parallel to it and postponement is not guaranteed.

3. Get outside liens released as soon as possible.

The homeowner and real estate agent are responsible for identifying all outside liens and obtaining their release.

4. Review all documents before uploading.

Make sure all documents and images are legible and 100% complete. Follow the guidelines for uploaded items, be careful not to exceed file size limits, and be especially careful to avoid the three most common document errors:

- An incomplete Bank of America Addendum
- Mismatched buyer/seller names
- A missing or incomplete 4506-T

5. Complete assigned tasks quickly to avoid delays.

Check your messages often and complete assigned tasks as quickly as possible. Some tasks can delay or even halt the short sale process until they have been completed. Communication with your short sale specialist is essential. It's especially important to move swiftly to stay ahead of the date of foreclosure.

6. Work to sell the property at fair market value.

Investors hope to recoup as much of their investment as possible, so unreasonably low offers are likely to be rejected. Submit your highest and best offer the first time and be sure to keep valuations current.

7. Fully execute orders before you submit them.

Fully executed offers have all appropriate addenda signed by both the buyer and the homeowner. Be sure to:

- Meet the 14-day deadline
- Include all required addenda
- Negotiate 3rd party fees before submitting the HUD-1
- Submit a HUD-1 valid for at least 30 days

8. Agree on counteroffers before accepting them.

Counteroffers should be approved by all parties and the contract should be updated with new terms, including the closing date, prior to acceptance. If a counter offer is agreed on before investor review, upload updated documents into the Supporting Documents task to reflect the new offer.

9. Watch for common causes of delay.

Notify your short sale specialist immediately if any of the following occur:

- Change in buyer
- Homeowner files bankruptcy
- Revised closing date
- Change after the approval letter is issued

10. Know when and how to submit a backup offer.

If your buyer walks, your buyer's name changes, or your offer is declined, you'll need to submit a backup offer. If this occurs, contact your short sale specialist immediately. If there is no backup offer, the transaction will be declined and you will have to initiate a new sale.