

Markve and Zweifel, PLLC

Attorneys at Law

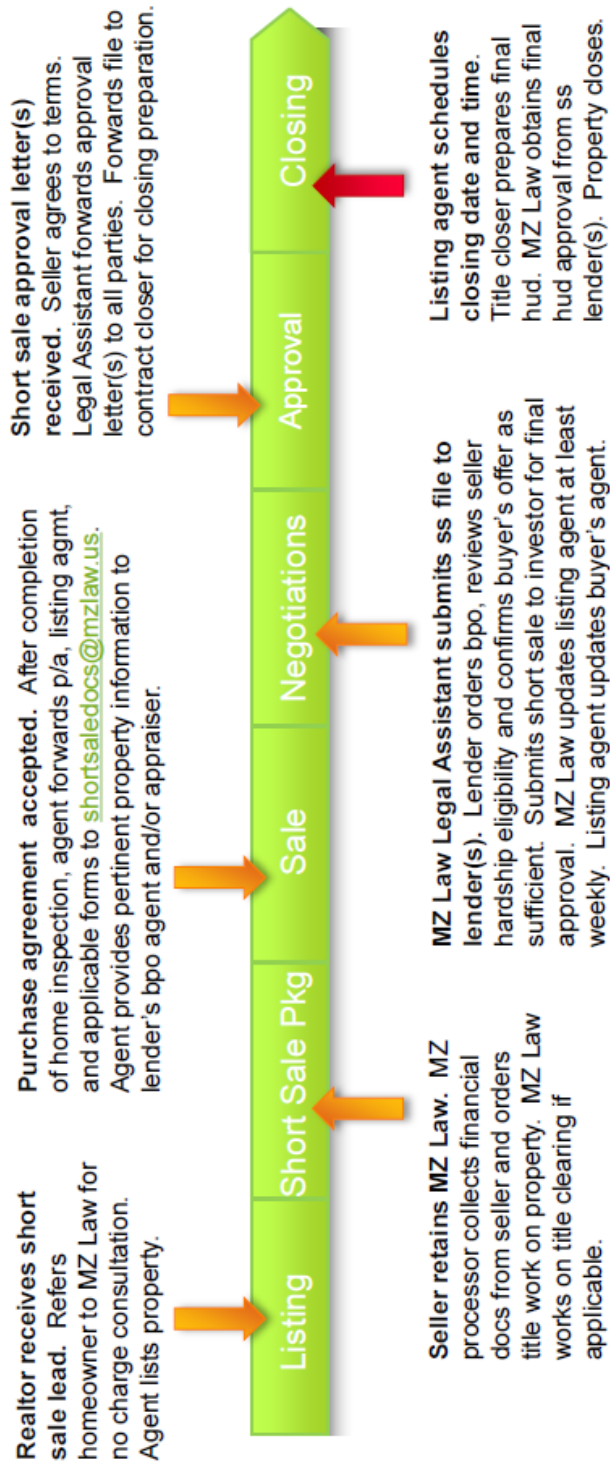
**AGENT
GUIDE TO
SHORT SALES**

www.mzlaw.us

TABLE OF CONTENTS

1. Timeline of who does what	Page 3
2. Key Points every Agent needs to know	Page 4
3. Listing Agent Procedures in the short sale	Pages 5-6
4. Markve & Zweifel Procedures in the short sale	Page 7
5. Lender's Procedures in the short sale	Page 8
6. Relocation Assistance \$\$ for Sellers	Page 9
7. Information Listing Agent needs from Seller	Page 10
8. Lender specific chart Allowable buyer closing costs, commissions, post sheriff sale approvals, default requirements	Page 11
9. Short sale offer instructions supplement to MLS	Pages 12-15
10. Buyer's information sheet	Page 16
11. Purchase agreement cover sheet	Page 17
12. Seller postponement of sheriff sale instructions	Pages 18-21
13. What listing agent should do to prevent bad BPO	Page 22

Markve & Zweifel Short Sale Process



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KEY POINTS EVERY AGENT NEEDS TO KNOW

- Short sale approval process takes 2-3 months with most servicers from time offer is submitted to approval in hand. Some servicers and some types of mortgages can take longer. Buyer's offer must be at fair market value to be approvable for short sale.
- Many short sale lenders are providing relocation assistance fund of \$3,000 or more to sellers at closing. Property must be owner occupied at time of approval to be eligible. (see page 9)
- Short sale may work in redemption period. However, if sheriff sale has occurred, short sale is no longer available in the following situations:
 1. If seller's first mortgage is serviced by US Bank, Chase, SLS, or SPS (regardless of type of loan or investor), short sale not available.
 2. In almost all cases, if sheriff sale has occurred, it is too late for short sale if seller's first mortgage is Freddie Mac conventional or FHA. Contact wendy@mzlaw.us to see if exception applies before listing.
 3. If there is less than 3 months left in redemption it is too late for short sale in most cases. Contact wendy@mzlaw.us to see if exception applies before listing.
 4. Seller can postpone their own sheriff sale if property is owner occupied. (see pages 18-21)
- If seller's mortgage is conventional, with Fannie Mae or Freddie Mac as investor, property must be active on MLS at least seven days before offer. Date on purchase agreement must be at least 7 days after date received on MLS.
- If seller's mortgage is FHA, property must be active on MLS at least fifteen days before offer. Date on purchase agreement must be at least 15 days after date received on MLS.
- No electronic signatures allowed on any documents that go to short sale lenders.
- Short sale lenders will not pay broker admin fees as commission percentage is pre-determined by mortgage investor and is not negotiable. Government loans pay 6% commission and some private investors pay 5% and some 6%.
- In cases of single agent dual agency (same agent representing buyer and seller), commission is commonly reduced to 3% or 4%.
- If buyer is also agent representing themselves, no buyer broker commission is allowed to be paid in almost all short sales.

LISTING AGENT PROCEDURES

- **Have seller call Markve & Zweifel appointment line** at 763-450-1639 to schedule no charge consultation with attorney prior to or at time of listing. Contact seller after consultation to confirm they will be retaining MZ Law.
- **Prior to listing**, obtain information from seller regarding number of mortgages, servicers names, type of first mortgage, first mortgage investor, foreclosure status, HOA information if applicable (see page 10)
- **Obtain a copy of the ledger from the HOA** if there is an HOA on the property. The ledger is a list of everything billed from the HOA to the property and shows what has been paid and/or not paid.
- **Marketing of property:**
 1. List property at fair market value as determined by your CMA
 2. Add MZ Law Buyer Information and Short Sale Offer Instructions as required MLS supplements (see pages 12-16)
 3. Reduce list price approximately 3% twice a month until offer is received
- **Encourage seller to return short sale package** financial information to MZ Law as soon as possible so file is complete when offer received.
- **Have seller watch their mail for foreclosure notifications.** If seller receives notification of sheriff sale scheduled, contact MZ Law immediately. If seller occupies the property, they can and should postpone the sheriff sale. (see pages 18-21)
- **Negotiation of offer with buyer:**
 1. Hand signatures required, no electronic signatures allowed
 2. If buyer's offer is not at fair market value, counter at time of purchase agreement
 3. Confirm buyer has not asked for closing costs to be paid by seller in excess of what seller's lender will allow (see table on page 11)
 4. Fees not allowed by short sale lender: well tests and septic certification, home warranties, appraiser's reinspection fees, lender processing fees, lender work orders. Make sure buyer is not requesting seller pay any of these.
 5. Short sale contingency addendum:
 - a. Line 15. Minimum 90 days for approval process allowed
 - b. Line 21. Require earnest money be deposited at time of purchase agreement
 - c. Line 25. Require inspection completed at time of offer and contingency removed before forwarding offer to MZ Law to begin approval process.
 - d. Line 29. Property SHALL remain on market for back up offers.

- **Submit offer to MZ Law:**
 1. Confirm all documents are full size, legible and fully executed. Check for the following:
 - a. Hand signatures only
 - b. All pages numbered
 - c. All dates filled in where requested
 - d. Full address including street, city, state, and zip listed everywhere requested
 - e. Correct and legal seller and buyer names
 - f. Printed names where requested
 - g. Final acceptance date filled in
 2. Email the following documents to shortsaledocs@mzlaw.us : (MZ Law forms are available at www.mzlaw.us website. Click on Realtor Short Sale Forms on homepage.
 - a. Buyer pre-approval letter (must state purchase price and loan amount)
 - b. Buyer's proof of down payment funds. This must be copy of actual bank statement showing buyer's name, bank name, and balance sufficient to cover down payment
 - c. Legible and fully executed purchase agreement
 - d. Listing agreement fully executed with no dates or signatures missing
 - e. MLS sheet (adjust list price to match buyer's offered price before sending)
 - f. Buyer's information sheet fully executed (see page 16)
 - g. Purchase agreement cover sheet fully executed (see page 17)
 - h. HOA ledger if applicable

- **Make sure you communicate any condition issues** that adversely affect the property value to short sale lender's bpo agent and/or appraiser BEFORE they submit their value back to short sale lender. (See page 22)

- **Update buyer's agent weekly** with the updates we provide you on the status of the approval process.

- When MZ Law asks for additional documentation required by short sale lender through the approval process, make sure to **provide promptly**.

- **Once short sale is approved**, MZ Law will provide notification of the approval, copies of approval letters and closing company contact information to seller, listing agent, buyer's agent and loan officer. MZ Law will forward the purchase agreement, approval letter(s) and all applicable documentation to our contract closer. Contact the closing company to get closing scheduled and make sure closing is scheduled prior to date required on short sale approval. Availability of extensions of short sale approvals are never guaranteed.

MARKVE & ZWEIFEL PROCEDURES IN SHORT SALE PROCESS

- **Attorney consultation with seller.** Attorney confirms seller short sale eligibility. Seller mortgage information obtained, judgment search obtained, foreclosure status checked, and file opened.
- **Law firm emails seller retainer agreement and short sale package** for completion by seller.
- **Law firm receives offer from agent.** MZ Law Processor orders updated title work, special assessment search, and notifies seller and listing agent of additional documentation needed to complete the file.
- **Once file is complete, it is forwarded to Legal Assistant (L/A).** L/A familiarizes herself with seller's financial situation, prepares preliminary HUD1 and submits short sale to lender(s).
- **L/A communicates with lenders** consistently and provides short sale approval process status update to listing agent weekly.
- **L/A escalates to short sale lender management** if lender is not following normal time lines and procedures during approval process.
- **Once approval is received,** attorney reviews approval to confirm waiver of deficiency and terms in seller's best interests. Seller is contacted to confirm they wish to close based on approval terms.
- **L/A forwards complete file** including approvals and purchase agreement to law firm's contract closer to begin closing preparation.
- **L/A sends copy of approvals,** required closing date information, and title company contact information to seller, listing agent, buyer's agent and buyer's loan officer.
- **L/A obtains final hud approval** from short sale lenders three days prior to closing and notifies title company when we have obtained the short sale lender's "clear to close."

LENDER'S PROCEDURES IN SHORT SALE PROCESS

- **Set-Ups (3-5 days)** – The file is received at the lender, imaged into their systems under the proper loan number, then scheduled to be assigned.
- **Processor assigned** – The processor will have the file for 2-4 weeks during which time there are valuations being ordered and the documents are being reviewed to make sure nothing is missing and the file is complete. The Valuations are not limited to only the BPO/Appraisal – There are 8-10 reports ordered during this time including: Investor values, Hazard Insurance quotes, Payoff Quotes, Mortgage Insurance Verification, credit reports, tax returns from IRS, etc... Once the processor receives all of these reports back they package the file and forward it to be assigned to a negotiator.
- **Underwriting or cash flow team** – Reviews seller's financial information to confirm seller is eligible for short sale under that investor's guidelines. This step is going on while processor is waiting for other reports to be received.
- **Negotiator is assigned** – Once the lender confirms seller eligibility, negotiator will then review the buyer's offer in comparison with the Valuations to determine if the buyer's offer meets the investor requirements. If the offer is acceptable and meets the Investors and Mortgage Insurance Company's guidelines, the Negotiator will submit the file to the Mortgage Insurer (If applicable) and/or Investor for final review and decision. If the negotiator finds the buyer's offer does not meet the Investor's guidelines, the negotiator will counter the offer. If buyer accepts the lender's counter offer, the negotiator then submits the file to the MI company and/or investor for final approval.
- **Mortgage Insurer** – An acceptable offer is first submitted to the MI CO for approval if the loan has Mortgage Insurance. Once the MI approves the short sale, the file is sent back to the negotiator & submitted to the Investor for final review and decision. Please note that both the MI Co & Investor may request/require a cash contribution or promissory note at closing in order to approve the short sale. If so, negotiations then continue with the seller and/or buyer regarding those settlements. If those settlements are required and/or agreed to by all parties, the MI company approves and the file is transferred to the investor.
- **Investor** – The file is submitted to the Investor for final review and decision. Their process takes typically one to two weeks.
- **Quality Control** – once investor has approved, file is forwarded to quality control department for final check over and permission for approval letter to be issued.
- **Approval issued** – Negotiator drafts and issues the approval and sends file internally at the lender to have a closing officer is assigned.
- **Closing** – Closing officer reviews final hud to make sure all fees allowable and match approval letter then issues the final hud approval and "clear to close."

LENDER PROGRAMS OFFERING CASH TO SHORT SALE SELLERS

ALL PROGRAMS PROVIDE FULL WAIVER OF DEFICIENCY
ALL PROGRAMS REQUIRE OWNER OCCUPANCY
BELOW IS A LIST OF PROGRAMS CURRENTLY AVAILABLE

1. **FANNIE MAE OR FREDDIE MAC** conventional mortgages: At closing, the seller will receive **\$3,000** relocation assistance from FNMA or Freddie providing their financial hardship confirms there is an inability to sustain their mortgage payment and their cash reserves are under the required guidelines. Property must be owner occupied at the time the short sale is approved to receive the relocation assistance funds.
1. **FHA MORTGAGES**: If seller's mortgage is FHA, property is owner occupied, and they have no 2nd mortgage on the property, seller will receive **\$3,000** in FHA short sale incentive providing seller has less than \$5,000 cash assets. If there is a 2nd mortgage on the property, seller's incentive is used as part of the payment to the 2nd mortgage for release of lien.
2. **Hafa SHORT SALES**: The US Treasury Dept Hafa short sale program is available on conventional mortgages only that have investor that is not Fannie Mae or Freddie Mac. Most private investors run their short sales through Hafa. Hafa provides **\$10,000** relocation assistance funds to occupant of the property at closing. If property is owner occupied, owner receives the \$10,000. If property is tenant occupied, tenant receives the \$10,000 to vacate the property at closing. Seller must also meet the Hafa financial hardship requirements necessary for Hafa short sale.
3. **VA MORTGAGES**: If seller's mortgage is DVA and property is owner occupied at time short sale is approved, seller may receive up to **\$1,500** relocation assistance funds at the closing providing seller meets required financial hardship criteria.

**INFORMATION EVERY SHORT SALE LISTING AGENT
NEEDS FROM SELLER PRIOR TO LISTING**

Seller legal name _____

Phone _____ **Email** _____

Seller legal name _____

Phone _____ **Email** _____

Property address _____

Lender(s): 1st mtg _____ **2nd mtg** _____ **3rd mtg** _____

Is 1st mortgage conventional, FHA, VA, or USDA? _____

Who is the investor on your first mortgage? (call ss lender and ask) _____

Are the mortgages current or in default? _____

Have you received "Notice of Foreclosure" from lender's attorney? _____

Has a sheriff sale occurred or been scheduled? _____ **If so, when?** _____

Are you aware of any state or federal tax liens attached to the property? _____

Are you aware of any judgments filed against you? _____

Homeowner's Association (if applicable):

Association name _____

HOA management name _____

HOA phone _____ **HOA fax** _____

Monthly HOA dues amount _____ **Month/year dues last paid** _____

Investor guidelines are subject to change and adherence to guidelines can vary depending on servicer. Investors will not pay for lender work orders, home warranties, re-inspections fees, septic tests, property repairs, nor will they allow escrows from their sale proceeds, so

DON'T ASK FOR THEM ON THE PURCHASE AGREEMENT!

Type of seller's mortgage	Seller concessions	Commission	Post sheriff sale approvals	Default requirements
FHA	1% for buyer financing FHA. 0% for all others	Six percent	Case by case	Yes
VA	3% for FHA, USDA, VA buyers. 0% for others	Six percent	No	Yes
USDA	3% for FHA, USDA, VA buyers. 0% for others	Six percent	No	Yes
FNMA Conventional	3% for FHA, USDA, VA funding buyers . 0% for conventional funding or cash buyers	Six percent	Yes, except when serviced by Chase, SLS, or SPS	Homeowner must be in default or situation shows that default is imminent
Freddie Mac Conventional	3% for FHA, USDA, VA buyers. 0% for conventional funding or cash buyers	Six percent	Case by case	Homeowner must be in default or situation shows that default is imminent
Conventional Private Investor	3% for FHA, USDA, VA buyers. \$0 for large down conventional buyers, maybe 3% for minimum down conventional buyers	Five or six percent	Yes, except when serviced by Chase, SLS, or SPS	Most private investors will not consider a short sale unless seller is in default
2nd mortgage	Max 3% considered for any financing buyer	Five percent	Yes	No

SHORT SALE OFFER INSTRUCTIONS

*****PLEASE READ ENTIRE ADDENDUM AND MAKE SURE BUYER AND THEIR AGENT UNDERSTANDS EVERY DETAIL*****

THIS ADDENDUM MUST BE SUBMITTED WITH PURCHASE AGREEMENT. BY SIGNING AND INITIALING THIS ADDENDUM, I AGREE THAT I HAVE READ, UNDERSTOOD, AND AGREE TO ALL TERMS OF THIS ADDENDUM.

Where and how to submit the offer:

- Offers shall be submitted via email.
- Offer must include:
 1. **No electronic signatures allowed!** Hand signed only!
 2. Buyer pre-approval letter (must include purchase price & loan amt)
 3. Buyer's proof of down payment funds
 4. Short sale contingency addendum and buyer's as is addendum
 5. Offer instruction addendum signed by all parties

PLEASE REMEMBER: This is a short sale. Seller will receive no net proceeds from the sale. Therefore, seller will not contribute any expense to transaction.

IMPORTANT – ABOUT OFFERS: Only one offer will be submitted to the lender for approval. All other offers will be back up offers and will only be submitted to lender if first offer is rejected or cancelled.

- Earnest money must be delivered to listing agent within 48 hours of seller's acceptance of purchase agreement. Earnest money will be deposited but will be refunded to buyer if seller's lender does not approve the short sale.
- The buyer is required to do their inspection before offer is presented to seller's lender. This allows buyer to amend their offered price as a result of the inspection if necessary. If buyer did inspection after short sale approval, they cannot amend purchase price due to inspection results so inspection is required at time of purchase agreement.
- Closing date: Please be advised it will take a minimum of 30 days and can take 60 to 90 days or even longer for lender to make a decision regarding the offer. Please use the following verbiage for the closing date: **"within 30 days of written lender approval."** Do not enter a date for a closing. Please do not submit an offer if buyers are not willing to wait the normal time frame for lender approval.

BUYER(S) INITIALS _____ BUYER'S AGENT INITIALS _____

- This is an AS-IS sale. No repairs will be made to the property by the seller or seller's lender. If either inspector or appraiser recommends or requires repairs, and buyer still wants to close on the property, all repairs will be at the expense of the buyer. If the property has been winterized, any dewatering for inspection, appraisal, or closing will be at the buyer's expense. In areas where a housing inspection is required by a governmental authority, please include the following language..."all code compliance issues along with any time lines (completion compliance) in the municipal inspection report, if any, will be assumed by and be the responsibility of the buyer." Any well and/or septic tests must be at the expense of the buyer.
- Seller or their lender will not pay for any of the following: well & septic tests, home warranties, appraiser's reinspection fees, lender processing fees, or lender work orders. Do not ask for them on the purchase agreement.
- Financing addendum:
If seller's mortgage is conventional, lender will consider maximum of 3% seller concessions for FHA, VA, or USDA funding buyer and \$0 for conventional funding buyer.
If seller's mortgage is FHA, lender will consider 1% seller concessions for FHA funding buyer and \$0 for all others.
Do not ask for more than lender allowable seller concessions.
- Short sale contingency addendum:
Line 15 date must allow 90 days for short sale approval
Lines 21 and 25 cannot be checked. Buyer must deposit earnest money and remove inspection contingency **BEFORE** offer is submitted to lender.
Line 30 must state "seller **SHALL** have the right to continue to offer property...."
- Follow-up process: A full short sale package will be compiled and submitted to seller's lender(s). Our short sales are negotiated by a local law firm with professional short sale negotiators on staff. It can take two to three weeks in many cases to get the first substantial progress update from the seller's lender. The buyer's agent will receive weekly updates from that time regarding the status of the short sale. **Please counsel your buyers that short sales take time but that they will be kept informed of the progress throughout the process.**

BUYER(S) INITIALS _____ BUYER'S AGENT INITIALS _____

- Title company: Seller's title company is highly experienced in the critical details regarding short sale closings. Buyer has the option to choose the title company of their choice. However, buyer is aware it is **likely in their best interests** to choose seller's title company for the following reasons:

If buyer chooses to use seller's title company to close their side of the transaction:

1. Buyer will be charged a **discounted closing fee of \$150.00.**
2. Seller's title company will order title work at time of purchase agreement. In the event of any title issues that would prohibit closing, it **allows time for those issues to be resolved** during the short sale approval time period. If title issues are discovered that cannot be resolved and prohibit closing, all parties will be informed immediately and purchase agreement can be canceled.
3. If there are any title fees for buyer not allowed to be paid from sale proceeds as determined by seller's lender, **those fees will be waived by seller's title company.**

If buyer chooses to use a title company other than seller's title company:

1. Title work will not be ordered until after short sale approval. If there are title issues discovered that prohibit closing, it will likely be **too late to resolve**, closing may be delayed or canceled, and **buyer has waited and lost 2-3 months in the process.**
2. If buyer's title company charges any fees that are not approved to be paid from sale proceeds, they **will be at the expense of the buyer.** This is not an uncommon occurrence.
3. If buyer's title company or buyer's lender cannot close the transaction by deadline on short sale approval letter, any per diem costs imposed by seller's lender **will be at the expense of the buyer.**

Buyer initial one:

_____ Buyer chooses to use seller's title company to close their side of the transaction.

_____ Buyer chooses to use title company other than Seller's title company to close their side of the transaction

We, the buyer(s) and buyers' agent have read, understand, and agree to all terms of this addendum. We agree that this addendum supersedes all other terms of the purchase agreement.

Buyer signature _____ Date _____

Buyer signature _____ Date _____

Buyer's agent signature _____ Date _____

Seller signature _____ Date _____

Seller signature _____ Date _____

Listing agent signature _____ Date _____

BUYER'S INFORMATION SHEET
SELLER'S LENDER REQUIRES THE FOLLOWING INFORMATION
INCLUDE THIS COMPLETED FORM WITH PURCHASE AGREEMENT

Individual Buyer #1:

Name as it appears on purchase agreement _____

Address (city, state, and zip) _____

First five digits of social security number _____ - _____

Date of Birth ____ / ____ / ____ Phone _____

Individual Buyer #2:

Name as it appears on purchase agreement _____

Address (include city, state, & zip code) _____

First five digits of social security number _____ - _____

Date of Birth ____ / ____ / ____ Phone _____

If Corporation or LLC Buyer:

Name as it appears on purchase agreement _____

Address (city, state, and zip) _____

Name of person signing for corporate buyer: _____

EIN or TIN _____ - _____ Phone _____

Buyer's agent:

Name _____ Company name _____

Company address (city, state & zip code) _____

Phone _____ Fax _____ Email _____

Buyer's lender info:

Loan officer name _____ Company name _____

Phone _____ Email _____ Quoted interest rate _____

Buyer's title company: ___ check here if using seller's title company

Closer name _____ Company name _____

Phone _____ Email _____

Markve and Zweifel, PLLC

Attorneys at Law

PURCHASE AGREEMENT COVER SHEET

*Email with purchase agreement, mls printout, listing agreement and HOA ledger (if applicable)
to shortsaledocs@mzlaw.us*

Property address _____
Street city zip

Seller's legal name(s) _____

Purchase agreement offered price _____

Seller paid closing costs (\$ amount, not %) _____

Listing commission (%) _____

Listing agent _____ Company _____

Listing agent phone _____ Email _____

Buyer's name(s) _____

Buyer's agent _____ Company _____

Buyer's agent phone _____ Email _____

Loan Officer _____ Company _____

Loan officer phone _____ Email _____

Buyer's title company _____ Phone _____

HOA monthly dues _____ HOA Resale Disc. Cert. Cost _____

HOA mgmt co _____ Phone _____

Markve and Zweifel, PLLC

Attorneys at Law

Re: Information regarding short sale negotiation and the foreclosure redemption period

Recently we have seen a growing number of short sale lenders who will not approve the short sale of a property when a property is in the redemption period. The redemption period is part of the mortgage foreclosure process and is the time period that runs after a sheriff's sale has occurred concerning that property.

Those lenders/investors who will not do a short sale in the redemption period include, but may not be limited to FHA and VA mortgages and conventional mortgages with Freddie Mac as the investor. We have also discovered that other lenders, who may offer some incentive money to the homeowner under the lender's short sale programs, will not pay that incentive money if the property is in the redemption period.

Thus, we are encouraging certain clients to take action to postpone a pending sheriff's sale so that the property does not enter the redemption period. Homeowners who occupy a property that is homesteaded for property tax purposes are allowed under Minnesota law to force a pending sheriff's sale to be postponed. This postponement can be done once by the homeowner.

Attached are instructions that you the homeowner can follow to postpone a sheriff's sale along with the required affidavit form. The full process for postponement must be completed at least 15 days before the scheduled sheriff's sale.

Postponing the sale through this process will postpone the sheriff's sale for 5 months, however, it will reduce the redemption period to 5 weeks. There can be some pros and cons to postponing a sale. IN SOME CASES IT MAY NOT BE IN YOUR BEST INTEREST TO POSTPONE THE SHERIFF'S SALE. This information is provided to you for information purposes only. If you have questions or concerns about whether postponing a sheriff's sale is in your best interest, please schedule a consultation with one of our firm's attorneys.

INSTRUCTIONS TO POSTPONE SHERIFF'S SALE

To postpone a Sheriff's Sale, the property must be owner occupied and classified as homestead and be one to four units. Also, the first publication of the Sheriff's Sale must have occurred AND the postponement process must be completed at **least 15 days before the scheduled Sheriff's Sale.**

To postpone a sale, you must complete all of the following steps:

1. Sign the postponement affidavit in front of a notary.
2. Record the postponement affidavit at the county recorder or registrar of titles where the mortgage was recorded. You may want to check with your county's recorder to determine how they handle these affidavits. Some will record the original and then mail it back to you. Other counties will allow you to bring a copy of the affidavit or additional affidavits with original signatures which then can be stamped upon recording and taken with you that same day to complete the process below. It might be a good idea to sign an extra couple copies when you sign the affidavit, depending on how your county recorder handles this process.

Note: fees are required for recording the affidavit; fees vary by county but expect about \$45 - \$50.

3. File a copy of the affidavit showing the date and office in which it was recorded with the sheriff conducting the sale. Include a copy of the Notice of Mortgage Foreclosure Sale. Contact the Sheriff's Office in your county to determine the process and any fee.
4. Deliver a copy of the affidavit showing the date and office in which it was recorded to the attorney conducting the foreclosure. Include a copy of the Notice of Mortgage Foreclosure Sale. Contact the foreclosure attorney to determine acceptable method of deliver (in person, mail and/or fax.)
5. Confirm receipt of the copies and the actual new sale date with the Sheriff's Office and the foreclosure attorney.

Other facts to know about postponing the Sheriff's Sale:

- The lender and foreclosure attorney are not required to publish notice or serve you with additional information about the change in the Sheriff's Sale or the date the redemption period ends.
- Postponement can only be done once, regardless of whether you bring the mortgage current or not.

(Top 3 inches reserved for recording data)

AFFIDAVIT OF POSTPONEMENT
Minn. Stat. 580.07

Minnesota Uniform Conveyancing Blanks
Form 60.8.1 (2011)

State of Minnesota, County of _____

(whether one or more, "Owner"), being first duly sworn on oath, states as follows:

He is the owner or mortgagor of the real property (the "**Property**") situated in _____ County,
(Insert name of county)

1. Minnesota, legally described in the attached published Notice of Mortgage Foreclosure Sale (the "**Notice**"), and makes this affidavit for the purpose of postponing the foreclosure sale of the Property pursuant to Minnesota Statutes, section 580.07, subdivision 2, for five months from the date scheduled in the attached Notice if the original redemption period is six months, or for 11 months if the original redemption period is 12 months.

2. The Property is classified as homestead under Minnesota Statutes, section 273.124, is occupied by the Owner as a homestead, and is improved with not more than four dwelling units.

3. Owner has elected to shorten the Owner's redemption period from any foreclosure sale of the Property to five weeks in exchange for the postponement of the foreclosure sale for five months if the original redemption period was six months, or for 11 months if the original redemption period was 12 months.

Check here if all or part of the described real property is registered (Torrens)

Owner

(signature)

(signature)

Note: The published Notice of Mortgage Foreclosure Sale must be attached to this document and recorded in order for it to be enforceable.

Note: After recording, Minn. Stat. 580.07 subd. 2 requires that a copy of this recorded affidavit be filed with the County Sheriff and delivered to the attorney foreclosing the mortgage.

Signed and sworn to before me on _____, by _____
(month/day/year)

(Insert name(s) of person(s) making statement)

(Stamp)

(signature of notarial officer)

Notary Public, Minnesota

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

(insert name and address)

If a bad bpo is submitted to seller's lender, it is impossible to challenge the value after the fact. Bpo's stand for 90 days. It is imperative that you do all you can to make sure bpo agent has all pertinent information regarding physical condition of the property, neighborhood, etc. that adversely affects the value of that property.

WHAT YOU CAN DO TO INCREASE THE ODDS FOR A "FAIR" BPO VALUE

- 1. When seller accepts offer, immediately lower list price in MLS to match buyer's offered price.**
BPO agent will have comps available in wide range of values. They commonly try to hit list price. If bpo agent submits value less than list price, many investors require they have to add additional data, or sometimes even re-do the bpo. It is for that reason the bpo agent will take your list price into consideration.

- 2. When a short sale offer has been submitted to seller's lender, require that all future showings must be confirmed with only you.**
This is how you will know bpo agent is entering the property. When bpo agent or appraiser contacts you for access, tell them all pertinent information regarding property condition before you give them lockbox combination.

- 3. Leave a packet of information in the property marked clearly that it is for the bpo agent and/or appraiser to take with them.**
 - a. Copy of current mls printout showing list price same as offered price**
 - b. Copy of inspection report (especially when negative inspection results limit value)**
 - c. Copy of "book-a-showing" feedback reports that show agent's opinion of price as "above market."**
 - d. Pictures of condition problems that adversely affect the value**
 - e. Copies of any applicable bids for necessary repairs**
 - f. Cover letter explaining market time, price reductions, and explanation of negative condition issues that adversely affect the value**

Remember that bpo agent may not be familiar with subject property's market area. It is important that listing agent inform them of any issues that adversely affect the property value.