

KEEPING  CURRENT **MATTERS**™

Sample Forms

for inclusion in your Short Sales Package



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Sample Short Sale Forms

Introduction

The **Carry Cost Analysis** and **Income and Expense Schedule** are examples of items that should be included in your Short Sale Package when submitting distressed property information to the bank. Below you will find a brief explanation of each form, and how they can help in obtaining bank approval for a short sale.

Carry Cost Analysis

This document analyzes and compares the various costs associated with a short sale transaction versus allowing a property to go into foreclosure. Although not required, this can be very useful in reinforcing the accuracy of the offers submitted to the bank.

Recurring costs include the mortgage, utilities and maintenance on the property. Utilities and maintenance should be further itemized on a separate schedule.

Foreclosure costs are one-time expenses incurred by the lender at the time of, prior to or after the foreclosure sale. For example, the lender will pay auction fees, and in the case of the property being taken back by the bank will also pay brokerage fees when sold as an REO.

Project Carry Cost is calculated through the number of months estimated to complete the foreclosure process multiplied by the recurring costs, plus the one-time foreclosure expenses.

The Disposition Analysis examines the cost savings benefits of the short sale versus the foreclosure.

It can also be demonstrated in a chart (or series of charts) which display various project carry cost scenarios based on a variable number of months to complete a foreclosure. This presents a powerful visual aid to the lender.

Carry Cost Analysis	
Recurring Monthly Costs	
Mortgage (Principal, Interest, Taxes, Insurance) (See attached mortgage statement)	\$
Utilities (See attached estimated utility schedule)	\$
Maintenance (See attached estimated maintenance schedule)	\$
Total Monthly Recurring Costs	\$
Foreclosure Costs	
Repairs	\$
Marketing	\$
Auction Fees	\$
Broker Sales Commissions	\$
Legal Fees	\$
Total Foreclosure Costs	\$
Months to Complete Foreclosure	
Project Carry Cost = Number of Months x Recurring Monthly Costs	\$
Project Carry Cost = Foreclosure Related Costs	\$
Disposition Analysis	

Income and Expenses Schedule

The Income and Expenses schedule is a **required form by most lenders** to demonstrate the seller's inability to pay the mortgage which is a key element to completing a successful short sale. The form contains several common monthly costs as well as a space for expenses that are unique to a borrowers situation.

Having a detailed form like this greatly eases the necessary task to the borrower of compiling all of their expenses.

Income and Expenses Schedule	
Estimated Average Future Monthly Income	Estimated Average Future Monthly Expenses
Debtors Monthly Net Income	Mortgage Payment (PITI)
Spouse's Monthly Net Income	Type of Mortgage
Other Monthly Income	Utilities
	Telephone/Cellular/Pager
	Internet/Periodicals/Books
Total Net Income	Association/Condo Fees
	Medical Expenses
	Other Taxes
	Health Insurance
	Auto Insurance
	Life Insurance
	Groceries
	Clothing
	Transportation (gas, public, etc.)
	Home Maintenance/Repairs
	Education/Tuition/Books
	Alimony/Child Support
	Child Care
	Second Mortgage
	Credit Card Payments
	Auto Payment
	Cellar
	Other Expenses
	Total Expenses
Total Monthly Income After Expenses:	\$
Property Owner	Date
Property Owner	Date

The signing owner represents that all information provided is true and accurate.

Carry Cost Analysis

Recurring Monthly Costs

Mortgage (Principal, Interest, Taxes, Insurance) <i>(See attached mortgage statement)</i>	\$
Utilities <i>(See attached itemized utility schedule)</i>	\$
Maintenance <i>(See attached itemized maintenance schedule)</i>	\$
Total Monthly Recurring Costs	\$

Foreclosure Costs

Repairs	\$
Marketing	\$
Auction Fees	\$
Broker Sales Commissions	\$
Legal Fees	\$
Total Foreclosure Costs	\$

Months to Complete Foreclosure

Project Carry Cost = Number of Months x Recurring Monthly Costs	\$
Project Carry Cost + Foreclosure Related Costs	\$

Disposition Analysis

Income and Expenses Schedule

Estimated Average Future Monthly Income

Debtors Monthly Net Income	\$
Spouse's Monthly Net Income	\$
Other Monthly Income	\$
	\$
	\$
Total Net Income	\$

Estimated Average Future Monthly Expenses

Mortgage Payment (PITI):	\$
Type of Mortgage	
Utilities	\$
Telephone/Cellular/Pager	\$
Newspaper/Periodicals/Books	\$
Association/Condo Fees	\$
Medical Expenses	\$
Other Taxes	\$
Health Insurance	\$
Auto Insurance	\$
Life Insurance	\$
Groceries	\$
Clothing	\$
Transportation (gas, public, etc)	\$
Home Maintenance Repairs	\$
Education, Tuition, Books	\$
Alimony, Child Support	\$
Child Care	\$
Second Mortgage	\$
Credit Card Payments	\$
Auto Payment	\$
Cable	\$
Other Expenses	\$
Total Expenses	\$

Total Monthly Income After Expenses:

\$ _____

Property Owner

Date

Property Owner

Date

*By signing, Owner represents that all information provided is true and accurate.