

## **SHORT SALE FACILITATION PACKAGE**

Dortch Law Firm  
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### **SELLER ACKNOWLEDGEMENT**

Dear Seller,

Thank you for considering The Dortch Law Firm to assist in the facilitation of your short sale and the closing of your real property transaction. Below is a summary of our role in this process and our expectations from the listing broker and seller:

- The Dortch Law Firm does not represent the seller in this transaction.
- Communications with The Dortch Law Firm should not be interpreted as legal, financial, or accounting advice.
- We strongly advise consulting with an attorney, financial advisor, CPA, tax advisor, or other professionals regarding this transaction.
- You are encouraged to seek counsel to analyze the unique risks of your situation.
- The Dortch Law Firm Law will help identify any title encumbrances to prepare the property for closing.
- Our firm does not negotiate on behalf of the seller or any other party in this transaction.
- Information provided by you or your listing broker will be disclosed to the seller's lenders. You hereby authorize us to release such information to your lenders.
- We do not guarantee that our efforts will result in a short sale decision that meets your approval.

- Be aware that your loan may be in default, which will persist until a satisfactory short sale agreement is reached with the lender.
- If a short sale approval is not obtained, your loan will remain in default, and the lender may exercise all remedies available under the loan documents, including foreclosure.
- We do not advise you to default on your mortgage.
- If foreclosure is scheduled, our efforts may not stop the proceedings.
- The Dortch Law Firm will not charge upfront fees for this service.
- We will charge a fee of \$3,500.00 to the lender for short sale facilitation, which will appear on the settlement statement. Additional fees may apply to clear non-mortgage liens (e.g., judgments, HOA liens, IRS liens), which will be disclosed and agreed upon in advance. All charges require final approval from the short sale lender. Please contact us with any questions.

Agreed to and acknowledged this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Borrower's Signature: \_\_\_\_\_

Borrower's Printed Name: \_\_\_\_\_

Co-Borrower's Signature: \_\_\_\_\_

Co-Borrower's Printed Name: \_\_\_\_\_

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

Listing Agent: \_\_\_\_\_

Listing Agent Signature: \_\_\_\_\_

Listing Agent Email: \_\_\_\_\_

Listing Agent Phone #: \_\_\_\_\_

## **WHAT IS A SHORT SALE?**

A “short sale” occurs when a lender agrees to accept less than the amount owed on a promissory note. It is often utilized when a seller cannot pay their mortgage. This process can be beneficial for both lenders and sellers, as it may help avoid foreclosure. However, the seller may still be held liable for the remaining balance of the loan, known as the deficiency, unless the lender specifically releases them from this obligation. Seller does not have to accept any offer from lender that they are not comfortable with.

## **WHAT ARE SIGNS OF A POTENTIAL SHORT SALE?**

Short sales are typically considered when:

1. The seller is behind on mortgage payments or is at risk of falling behind.
2. The seller is experiencing a legitimate hardship.
3. The seller has little or no equity in the property (generally 8% or less).

## **WHAT CONSTITUTES A HARDSHIP?**

Hardships may include job loss, reduction in income, increased expenses, divorce, medical emergencies, or death. Most lenders will consider a short sale if the seller's financial situation makes mortgage payments or property taxes unmanageable.

## **WHAT TO EXPECT AFTER THE LENDER AGREES TO SHORT SALE**

In many short sales, the Seller's lender will agree to forgive any balance owed by the Seller after the short sale is closed (The Lender agrees to release the Seller “without recourse”). In some instances, the Seller may be asked to sign a note for all or part of the difference between the remaining loan balance and the payoff amount. However, even if the Lender does not request the Seller to sign a promissory note AND has not agreed to release the Seller without recourse, the lender may at their option file suit later against the seller for the difference. Keep in Mind that the Seller will have the option of not accepting the terms of the short sale prior to closing if they feel it is not in their best interests to proceed. (However, if the lender does not request a promissory note to be signed at closing and does not agree to release seller without recourse, the lender may sue the seller for the difference and attach this amount to other assets owned by seller). Also, it is important to understand that a completed short sale will have a negative effect on seller's credit. Before the short sale is accepted and the transaction is complete, the seller should consult with a tax advisor regarding possible tax implications of conducting a short sale.

## **WHAT IS A DEFICIENCY**

A deficiency stems from a seller defaulting on a promissory note. A promissory note is a promise to pay. The note may provide for personal liability. Personal liability means the lender can pursue the seller's assets, if the seller does not make payments. When a lender accepts a short sale it does not necessarily release the seller from the obligation to pay the remaining balance of the loan, known as the deficiency. The Seller may be asked to sign a note for all or part of the difference between the debt obligation and the payoff amount. However, even if the lender does not request a promissory note to be signed at closing and does not agree to release seller without recourse, the lender may sue for the difference.

## **IS A SHORT SALE THE BEST OPTION?**

There are different lender programs to assist homeowners with their mortgage. Many homeowners apply to do a "modification" which indicates the owner wishes to continue to occupy the property. Not all modification applications get approved, and so the owner often changes the work out option to a "short sale". For any prospective seller, the options are below in this pyramid. The loan amount, your financial status, and the value of the property determine which category you fall under. If you would like us to have a real estate professional pull market comparables to support the reason for initiating a short sale, please let us know. We grouped the bottom three together because not many people know that the Deed in Lieu option may be as damaging to your credit as a foreclosure or bankruptcy. Please contact a tax attorney or your CPA for tax questions.

**Profit**  
**Break Even**  
**Short Sale**  
**Bankruptcy, Foreclosure, Deed in Lieu**

## **SHORT SALE PROCESS**

The following guide outlines the steps you and The Dortch Law Firm will follow to obtain an approval of your request for a short sale and to close the transaction.:

### **STEPS REQUIRED OF THE SELLER**

1. Provide the following information:

- First Mortgage Lender:

- Name: \_\_\_\_\_

- Loan Number: \_\_\_\_\_

- Loss Mitigation Counselor Name: \_\_\_\_\_

- Telephone: \_\_\_\_\_

- Fax: \_\_\_\_\_

- Email: \_\_\_\_\_

- Second Mortgage Lender (if applicable):

- Name: \_\_\_\_\_

- Loan Number: \_\_\_\_\_

- Loss Mitigation Counselor Name: \_\_\_\_\_

- Telephone: \_\_\_\_\_

- Fax: \_\_\_\_\_

- Email: \_\_\_\_\_

2. Gather all required documents for submission to the lender (a list of required items is attached). Our firm cannot work on the package until all necessary documents are provided.

3. Submit the completed package to [shortsaleteam@fpklaw.com](mailto:shortsaleteam@fpklaw.com). Please avoid sending via fax to ensure clarity. If email is not possible, you may hand-deliver or use postal services.

## **STEPS PERFORMED BY THE DORTCH LAW FIRM**

1. Review the package for completeness and readiness for lender submission.
2. If complete, we will:
  - Obtain a title search.
  - Acquire necessary payoffs, if required.
  - Prepare a preliminary HUD-1 displaying net proceeds to lenders.
  - Submit the package to lenders.
3. Serve as a liaison between lenders and the seller.
4. Notify the seller upon receiving lender approval.
5. If the approval is acceptable, prepare for final settlement.
6. Close the sale of your property upon satisfactory completion of the above steps.

## **SELLER CONTACT INFORMATION**

FULL NAME AND SOCIAL SECURITY NUMBERS:

BORROWER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

SOCIAL SECURITY #: \_\_\_\_\_

PHONE #: (C) \_\_\_\_\_ (H) \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

CO-BORROWER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

SOCIAL SECURITY #: \_\_\_\_\_

PHONE #: (C) \_\_\_\_\_ (H) \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

### **SUBJECT PROPERTY**

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

SUBDIVISION: \_\_\_\_\_

COUNTY: \_\_\_\_\_

BEDROOMS: \_\_\_\_\_ BATHS: \_\_\_\_\_ 1/2 BATH: \_\_\_\_\_

SQ. FOOTAGE: \_\_\_\_\_

YEAR BUILT: \_\_\_\_\_ YEARLY TAXES: \_\_\_\_\_

### **IMPORTANT INFORMATION**

Have you received a Notice of Foreclosure Sale from any of your lenders?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, list foreclosure attorney name and  
foreclosure sale date if applicable: \_\_\_\_\_

How many mortgages do you have on this property?

1 mortgage \_\_\_\_\_; or 2 mortgages \_\_\_\_\_; or 3 mortgages \_\_\_\_\_

Are you delinquent on any of the above-mentioned mortgages?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please list: \_\_\_\_\_

Are you delinquent on your property taxes?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, did taxes sell to a 3<sup>rd</sup> party? \_\_\_\_\_

Is there a homeowner's association for this property? If so, please provide a contact  
name and phone number or e-mail address for the association.

Management Company: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Address \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ - \_\_\_\_\_

Are you delinquent on your homeowner's association dues?

Yes \_\_\_\_\_ No \_\_\_\_\_ Not applicable \_\_\_\_\_

If yes, please provide details and attach copies of such delinquency:

\_\_\_\_\_

\_\_\_\_\_

Do you have any judgments and/or liens (ex. credit card lawsuits, garnishments, IRS liens, GA income tax liens) against yourself or your property?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please provide details and attach copies of such judgment or lien:

\_\_\_\_\_

\_\_\_\_\_

Are you currently in a bankruptcy proceeding or have been discharged from bankruptcy or planning on filing for bankruptcy?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please provide details: \_\_\_\_\_

Are you currently in a divorce proceeding or contemplating filing for divorce?

Yes: \_\_\_\_\_ No: \_\_\_\_\_

Are all note holders and property owners alive?

Yes: \_\_\_\_\_ No: \_\_\_\_\_ If no, please explain. We will need copy of death certificate and probate docs.

\_\_\_\_\_

Are you the property owner?

Yes: \_\_\_\_\_ No: \_\_\_\_\_

Do you currently occupy the property?

Yes: \_\_\_\_\_ No: \_\_\_\_\_ If no, when did you last occupy the property? \_\_\_\_\_



Is the property vacant or tenant occupied?

Vacant: \_\_\_\_\_ Tenant: \_\_\_\_\_

Are utilities on? \_\_\_\_\_

What is the use of the property?

Primary Residence: \_\_\_\_\_ Second Home: \_\_\_\_\_ Investment: \_\_\_\_\_

Who is the water provider: \_\_\_\_\_

Who is the sanitation Provider: \_\_\_\_\_

### **DOCUMENTS REQUIRED FROM SELLER**

\_\_\_\_\_ Lender Required Forms (your lender will specify)

\_\_\_\_\_ Hardship Letter, Signed and Dated

\_\_\_\_\_ HOA Contact Information (if applicable)

\_\_\_\_\_ Sales Contract with addendums (if applicable)

\_\_\_\_\_ Buyer's Loan Approval letter or Proof of Funds

\_\_\_\_\_ 30 days of Pay Stubs or Profit and Loss Statements (if self-employed) or Proof of any other income (Unemployment, Social Security, Disability, etc.)

\_\_\_\_\_ 60 days worth of Bank Statements, all pages, even if blank

\_\_\_\_\_ Copy of your Monthly Mortgage Statement/Payment Letter

\_\_\_\_\_ Two Years Tax Returns including all schedules and W - 2's

\_\_\_\_\_ Listing Agreement

\_\_\_\_\_ MLS Sheet showing previous listing activity if applicable

\_\_\_\_\_ Hardship Supporting Documentation, such as Final Divorce Decree, including Settlement Agreement and/or Bankruptcy Documents

\_\_\_\_\_ Clear copy of all sellers' drivers' licenses

\_\_\_\_\_ Any default or foreclosure documents/letters from lender or lender's attorney

\_\_\_\_\_ Copy of Owner's Title Policy from purchase of the property

\_\_\_\_\_ Seller Acknowledgement, signed

\_\_\_\_\_ Seller Contact Information Sheet, completed

\_\_\_\_\_ Important Information Sheet, completed

\_\_\_\_\_ Borrower's Authorization to Release Information, completed and signed

\_\_\_\_\_ Affidavit of Arm's Length Transaction, completed and signed

\_\_\_\_\_ MARS Disclosure, signed

\_\_\_\_\_ Opt-Out of Modification Letter, signed

\_\_\_\_\_ Financial Analysis Form, completed

\_\_\_\_\_ IRS 4506T, FULLY completed and signed. The lender will reject this form if incomplete.

## **BORROWER'S AUTHORIZATION TO RELEASE INFORMATION**

1st Mtg. \_\_\_\_\_

Loan #: \_\_\_\_\_

FHA Case # (if applicable) \_\_\_\_\_

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

2nd Mtg. \_\_\_\_\_

Loan #: \_\_\_\_\_

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

Borrower Name: \_\_\_\_\_

Last 4 of SS#: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Real Estate Agent: \_\_\_\_\_ Agent Ph#: \_\_\_\_\_

**Closing Attorney: The Dortch Law Firm**

**(Including, but not limited to Pavielle Dortch, Micher Christophe, Emmanuel Christophe, and Stacey Randolph-Costello).**

Contact Phone #: 1-888-552-3579 or 404-662-2486.

Contact Address: 1400 Buford Hwy., Suite F-1, Sugar Hill, Georgia 30518

To Whom It May Concern:

This letter will serve as authorization for release of information to the above parties and any of its employees and agents acting on its behalf to obtain any and all information associated with the above-referenced loan. Please furnish any and all pertinent information to them as they may require. A photocopy of this authorization bearing the signatures of the undersigned may be deemed the equivalent of the original.

\_\_\_\_\_  
**Seller Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Co- Seller Signature Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**

## **AFFIDAVIT OF "ARM'S LENGTH TRANSACTION"**

Pursuant to a Purchase and Sales Agreement ("Agreement"), the parties identified below as "Seller(s)" and "Buyer(s)," respectively, are involved in a real estate transaction whereby the real property commonly known as

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("Property") will be sold by Seller(s) to Buyer(s).

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 ("Lender") holds a security deed against the Property. In order to complete the sale of the Property, Seller(s) have asked Lender to discount the total amount owed on the loan, which is secured by the security deed. Lender, in consideration for the representations made below by Seller(s), Buyer(s), and their respective agents, agrees to a short sale on the express condition that Seller(s), Buyers, and their respective agents each truthfully represents, affirms, and states as follows:

1. The purchase and sale transaction reflected in the Agreement is an "Arm's Length Transaction," meaning that the transaction has been negotiated by unrelated parties, each of whom is acting in his or her own self-interest, and that the sale price is based on fair market value of the Property. With respect to those persons signing this affidavit as an agent for Seller(s), Buyer(s), or both, those agents are acting in the best interests of their respective principal(s).
2. No Buyer or agent of Buyer(s) is a family member or business associate of the Seller(s) or the borrower(s) or the mortgagee(s).
3. No Buyer or agent of Buyer(s) shares a business interest with the Seller(s) or the borrower(s) or the mortgagee(s).
4. There are no hidden terms or hidden agreements or special understandings between the Seller(s) and the Buyer(s) or among their respective agents which are not reflected in the Agreement or the escrow instructions associated with this transaction.
5. There is no agreement, whether oral, written, or implied, between the Seller(s) and the Buyers and/or their respective agents which allows the Seller(s) to remain in the property as tenants or to regain ownership of the Property at any time after the consummation of this sale transaction.
6. The Seller(s) shall not receive any proceeds from the sale of the Property reflected in the Agreement, unless otherwise approved by lender(s) and disclosed on final settlement statement.
7. No agent of either the Seller(s) or the Buyer(s) shall receive any proceeds from this transaction except as is reflected in the final estimated closing statement which shall be provided to Lender for approval prior to the close of escrow.

8. Each signatory to this Affidavit expressly acknowledges that Lender is relying upon the representations made herein as consideration for discounting the payoff on the loan(s) which is/are secured by a security deed encumbering the Property.

9. Each signatory to this Affidavit expressly acknowledges that any misrepresentation made by him or her may subject him or her to civil liability. I declare under penalty of perjury under the laws of the State of Georgia that all statements made in this Affidavit are true and correct. Additionally, I/We fully understand that it is a federal crime punishable by fine or imprisonment, or both, to knowingly and willfully make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

_____ <b>Seller Signature</b>	_____ <b>Date</b>	_____ <b>Co- Seller Signature</b>	_____ <b>Date</b>
_____ <b>Print Name</b>		_____ <b>Print Name</b>	
_____ <b>Buyer Signature</b>	_____ <b>Date</b>	_____ <b>Co- Buyer Signature</b>	_____ <b>Date</b>
_____ <b>Print Name</b>		_____ <b>Print Name</b>	
_____ <b>Listing Agent Signature</b>	_____ <b>Date</b>	_____ <b>Selling Agent Signature</b>	_____ <b>Date</b>
_____ <b>Print Name and Company</b>		_____ <b>Print Name and Company</b>	

## **Loss Mitigation/Workout Plan Letter**

Loan Number: \_\_\_\_\_

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

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

To Whom It May Concern:

Please accept this letter as confirmation that we do not wish to be considered for a loan modification. We are requesting that we be considered for a short sale.

\_\_\_\_\_  
**Seller Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Co- Seller Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**

## **MARS DISCLOSURE**

The Federal Trade Commission has issued a rule that bans providers of mortgage foreclosure rescue and loan modification services from collecting fees until homeowners have a written offer from their lender that they decide is acceptable. The intent of the rule was to protect consumers from unscrupulous companies that were collecting fees up front and not providing any benefit.

The Dortch Law Firm has a Short Sale Facilitation Program that does not call for any up-front fees and no payment is due until closing. In an abundance of caution, even though we do not feel that our program in any way ever violates the law, we are providing all the disclosures required by the rules below.

**IMPORTANT NOTICE:** The Dortch Law Firm is not associated with the government, and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan. If you stop paying your mortgage, you could lose your home and damage your credit rating.

**IMPORTANT NOTICE:** You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance in the form of a reduced payoff that we obtain from your lender. If you reject the offer, you do not have to pay us. If you accept the offer, our fee is which will be placed on the Settlement Statement for payment at closing. The Dortch Law Firm is not associated with the government, and our service is not approved by the government or your lender. Even if you accept this offer and use our service, your lender may not agree to change your loan and allow the short sale. If you stop paying your mortgage, you could lose your home and damage your credit rating.

**IMPORTANT NOTICE:** Before buying this service, consider the following information. This is an offer of mortgage assistance that we obtained from your lender. You may accept or reject the offer. If you accept or reject the offer, you do not have to pay us, the lender does. If you accept the offer, our fee of will be placed on the Settlement Statement for payment at closing. If you stop paying your mortgage, you could lose your home and damage your credit rating.

**We hereby acknowledge receipt of the foregoing information this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.**

\_\_\_\_\_  
**Seller Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Co- Seller Signature Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Listing Agent Signature Date**

\_\_\_\_\_  
**Print Name**

