



## *Sample Short-sale Orchestration Seller Introductory Letter*

Dear [SellerNames],

This letter serves as an introduction to Winged Foot Title's short sale process. The following enclosed information will be helpful as we begin to work together:

- Letters of Authorization to Lender***
- Commitment to Participate & Hold Harmless Agreement***
- Lender's Document Requirements***
- Hardship Letter Guidelines***

Please provide the items listed on the Lender's Requirements pages included in this email. Please know that time is of the essence with regard to the compilation and submission of these documents. The more quickly we are able to compile the required documents, the more quickly your lender will begin reviewing the short sale request.

If you pay condominium or homeowner association fees, please let us know the name and contact information of that association or management company. We must have complete and up to date estoppel information from all associations in order to submit the short sale package to your lenders.

Thank you for allowing us to help you with your transaction. Please take a moment to sign the authorization letters and return them with your ***most recent mortgage statement*** (if you have not already done so) to us at your earliest convenience. Also, please put together the required documents and return them as soon as possible. Once we have received those, we will contact you immediately to verify receipt and begin the process of compiling the required information to forward to the lender. Should you have any questions whatsoever about this step, please do not hesitate to contact us via phone or email ([shortsales@wingedfoottitle.com](mailto:shortsales@wingedfoottitle.com)).

Sincerely,

*Your Winged Foot Title, LLC Short Sale Team*

TO: LENDER [MortgageeName]

RE: LOAN NO. [Mortgage AccountNo]

## ***Letter of Authorization to Lender to Release Information***

We, [SellerNames], the undersigned, being the owners of the real property commonly known as [PropertyAddress], do hereby authorize our lender(s), and their agents and/or assigns to release to **WINGED FOOT TITLE, LLC (including, Megan Bernasconi, Chris Black, Kristen Flora, Valerie Black, Pat Moore and Anabel Masrrua), and [REBroker1Agent], our Realtor**, any and all information pertaining to our loan, including but not limited to payoff information, credit checks, arrearages and reinstatement amounts, information on my payment history, and information related to my request to short sell the subject property. This authorization shall be valid from the date of my signature and survive until the successful sale of the subject property.

Our loan number is [Mortgage AccountNo].

_____	_____
[Mortgagor Name & Social Security Number]	Date
_____	_____
[Co-Mortgagor Name & Social Security Number]	Date

## ***Short Sale Commitment to Participate and Hold Harmless Agreement***

\_\_\_\_\_ (Initial). I, [SellerNames], the undersigned, being the owners of the real property commonly known as [Property\_1\_Address], do hereby commit to participate fully in the sale of said property. I agree to provide information required of us in a timely fashion (within 48 hours of request). I agree to provide to Winged Foot Title (WFT) any and all correspondence from our lender which may affect the short sale process. I agree to keep the property well-maintained and in “showable” condition in order to facilitate the procurement of a buyer. I agree to occupy the premises until it is sold; or, alternatively, if I do not occupy the premises, I agree to maintain utilities services (e.g., electricity; water; etc.) so that the property does not deteriorate.

\_\_\_\_\_ (Initial). I understand and acknowledge that I intend to sell the above referenced property and that to effectuate said sale, our lender, [Mortgage\_1\_MortgageeName], must agree to accept less than is owed to them.

\_\_\_\_\_ (Initial). I acknowledge that a short sale may have significant financial, legal, tax and credit consequences (***for example: even after an approved short sale, the lender may retain the right to pursue you for any remaining deficiency; the lender may require you to sign a promissory note in exchange for the short sale approval; they lender may require a lump sum cash contribution at closing***); and that we have been advised to speak with appropriate professionals (e.g., Certified Public Accountant, Attorney) with regard to any and all possible liabilities or consequences.

\_\_\_\_\_ (Initial). I understand that to effectively orchestrate our short sale transaction and those of others in similar situations, WFT Short Sale professionals spend an inordinate amount of time on the phone with lenders and processing the paperwork related to the calls and transactions. I acknowledge that WFT can and will update our Realtor, [REBroker1Agent], once per week via email and that we will receive our updates from our Realtor. I further agree not to call or email WFT Short Sale staff for status updates or progress reports.

\_\_\_\_\_ (Initial). I acknowledge that Winged Foot Title, LLC provides services limited and necessary to its issuance of a title insurance policy related to the sale of the subject property; and that the short sale orchestration services provided by Winged Foot Title, LLC are related solely to the clearance of the mortgage liens encumbering our property. Further, I acknowledge and understand that *no employee* of Winged Foot Title, LLC can or will provide any legal advice related to our transaction, including but not limited to review of court documents related to foreclosure or the negotiation of settlement terms with our lenders or their representatives.

\_\_\_\_\_ (Initial). I will hold harmless Winged Foot Title, LLC from any and all liabilities which may arise as a result of our short sale, whether successful or not.

_____	_____
[Mortgagor Name & Social Security Number]	Date
_____	_____
[Co-Mortgagor Name & Social Security #]	Date

## ***Lender Short Sale Documentation Requirements***

The following items are required by your lender to begin the short sale process. Ideally, we will have all of the required documentation in place and organized in advance of receiving an offer to purchase your property. Please provide these documents to us *no later than 48 hours* after the receipt of this introductory package.

1. Letters of Authorization
2. 2 Most Recent Years Tax Returns\*
3. 2 Most Recent Months Bank Statements
4. 2 Most Recent Pay Stubs or Proof of Income\*\*
5. Financial Statement
6. Hardship Letter

\*If you can not provide a tax return for the past two years, a letter of explanation will be required to explain the absence to the lender.

\*\*If you can not provide proof of income on account of unemployment or some other scenario, a letter of explanation will be required to explain the absence to the lender.

## ***Lender Hardship Letter Guidelines***

The central document in the Short Sale package that will be submitted to the mortgage lenders that will be taking a loss is the Hardship Letter. The Hardship Letter provides the homeowner with an opportunity to state their case as to why they can no longer afford to make their mortgage payment and to show their lender(s) that default under the terms of the loan is imminent.

The Hardship Letter should be an honest, heartfelt statement outlining the circumstances that have created the problem. It should include these components:

1. A brief apology for having to ask the lender to take a loss
2. A description of the steps the homeowner has taken (used credit cards, borrowed from family, borrowed from retirement accounts) to stay current on the mortgage.
3. A clear statement that the homeowner has extended all available options to stay current on the mortgage and that a Short Sale is the only remaining option, other than foreclosure.

While it is important for the home owner to provide a complete picture of their hardship, it is also important to avoid a letter that is excessively long. In order to get a loss mitigator to understand the hardship, the loss mitigator needs to read the letter and connect with the writer. Limit the letter to a manageable length.

If possible, attach to the Hardship Letter any documents, receipts or notices that support the homeowner's hardship.

### Examples:

- \* Layoff notice
- \* Letter from employer outlining a reduction in pay or a reduction in hours
- \* Cancellation notices for medical insurance or auto insurance due to non payment
- \* Delinquency notices from creditors and/or service and utility providers
- \* Letters from doctors regarding injury or illness
- \* Disability benefits letter
- \* Divorce or separation papers
- \* Receipt for excessive payments for medications or emergency payments
- \* Any documents supporting a family crisis hardship

Review the following 3 Borrower Hardship Letters examples for more information on writing your hardship letter.

## ***Borrower Hardship Letter Example #1***

Dear Lender,

I am unable to keep current with my mortgage due to divorce. I am receiving no financial support from my husband and I have been a homemaker for the past 12 years. I am employed, but because of my lack of skills, I am unable to earn much more than minimum wage.

I have two children at home ages 7 and 9. With the cost of daycare and my other obligations there is just no way to make the mortgage payment. I have used up any available credit just to keep food on the table.

I cannot keep up my home and must sell it. The real estate market is such that I owe more than my home is worth. My only other option would be to file bankruptcy.

I am an honest, hardworking person and it is devastating for me to find myself in this awful position.

I would deeply appreciate any help you can offer.

Sincerely,

*The Homeowner*

## ***Borrower Hardship Letter Example #2***

Dear Lender,

My wife has recently suffered a devastating illness. She is unable to continue working and it may be years before she is well enough to work. She has been the primary wage earner in our family for the past 10 years.

My income cannot come close to covering our monthly expenses. We find ourselves deeper in debt every month with no relief in the foreseeable future. I have sold our second car and anything else that we do not absolutely need. Our home is large and the minimum monthly expenses for the upkeep, electricity, gas, etc. are very high.

Our only hope at this time is to sell our home. Unfortunately, if we sell our home in the present slow real estate market, we will be upside down about \$30,000.00. Our only other alternative is bankruptcy.

We would appreciate any help you are able to provide.

Sincerely,

*Homeowner*

## ***Borrower Hardship Letter Example #3***

Dear Lender,

As a result of upward adjustments to our monthly mortgage payment, my wife and I are unable to afford our mortgage. As I sit here today it's not clear to me how I ever thought that we could afford the mortgage once payments started adjusting. I wish my loan officer would have explained to us where our monthly payments were going to be when they adjusted.

We have borrowed money from family and we have taken cash advances on credit cards, but we are falling further and further behind with no real hope of affording the payment. At this point, we can't do it any longer.

Both my wife and I are very sorry that this has happened. We are losing our dream house, and we know you are losing too. We just don't have any other options.

Please work with us on a Short Sale. We don't want to go through foreclosure, but if we can't do a Short Sale we will not be able to avoid it.

Thank you for your consideration.

Sincerely,

*Homeowner*

***Get the Winged Foot Title, LLC. “S.T.A.T.S.”  
“Short-sale Technology Action Track System”  
“Short-sale Technology Activity Tracking System”***

Winged Foot Title, LLC employs the latest in short sale title insurance processing technology. Because of this technology, WFT is able to offer its customers 24/7 online access to information and documents related to their transaction. To access your transaction's information, including the notes WFT Short Sale staff painstakingly take during the orchestration process:

1. Point your web browser to <http://www.wingedfoottitle.com>
2. Under CUSTOMER LOGIN (located at the bottom right of the WFT homepage), enter your:
  - A. Username:
  - B. Password:
  - C. Click Submit.

You will be taken to your online transaction portfolio, from where you can track the progress of your short sale orchestration.

Should you have difficulty using the online system, please do not hesitate to send an email to [shortsales@wingedfoottitle.com](mailto:shortsales@wingedfoottitle.com) explaining your problem.