



THE SHORT SALE ESCROW

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The Short Sale Escrow

Lawyers Title can also handle the specialized “short sale” escrow in which you need an experienced escrow officer in short sale transactions. Many of our escrow officers have received in-depth training in short sales. Your escrow officer will provide confidential, professional service throughout the transaction, assisting you and communicating between all parties. Our experienced title staff can foresee, communicate, and work to remove potential obstacles as they arise, to ensure the best possible outcome.

What is a “Short Sale”:

This term refers to a transaction in which the sales price will not generate enough money to cover the payoff of the seller’s existing loan and closing costs. Working with a willing lender, a seller may be able to negotiate a payoff amount which is less than the actual amount that would ordinarily be required to payoff the loan. The lender agrees to accept the equity available in the property, and the seller receives no proceeds from the sale of the property.

Submit Your Documentation to Escrow

Along with the purchase contract, submit a copy of the short sale package to your escrow officer. It will be an essential reference during the transaction. Additionally, if the package or one of the documents needs to be resubmitted at any point, your escrow officer can send a copy from the file.

Time is of the Essence

Advise your seller to execute all title and escrow documents quickly and return them to the escrow officer. If you prefer,

your escrow officer would be happy to arrange for the clients to come in and sign the documents, answering any questions they may have about the escrow process.

To ensure faster approval from the lender, provide the following information to your Lawyers Title escrow officer:

- Purchase/List Price
- Estimated Closing Statement
- Commission Percentage or amount of commission
- Seller’s costs:
 - A. Termite Work?
 - B. Repairs?
 - C. Is the seller paying any buyer’s closing costs?
- Payoff Information – lender(s) and approximate unpaid principal balances
- Homeowner’s Association. Current HOA balance plus collection fees
- Does the property have delinquent property taxes? Need amount.

Get Any Pre-Approved Work Done and Submitted for Payment at Once

Remember, the lender is not obligated to approve the short sale. Last minute invoices may be rejected and could jeopardize the short sale approval and closing.

Seller Must Net Zero

Even if there are funds left over at the close of escrow due to a reduced expense, lower tax pro ration, etc. any excess funds **MUST BE SENT TO THE LENDER** or disbursed as per the lender’s instructions.