



**Short Sales  
Step By Step™**

**The Complete Program to Making Your Fortune  
in Real Estate Using Short Sales**

**How to Sign Up a Short Sale Deal**

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Partner Software  
Recommended & Supported

In this Short Sales Step by Step training, you will learn what documents to use when signing up a short sale deal. You'll discover how the following four documents are critical to signing up a short sale:

- Sign Up Doc # 1: Authorization to Release Information
- Sign Up Doc # 2: Purchase Contract
- Sign Up Doc # 3: Memorandum of Agreement
- Sign Up Doc # 4: Lender Short Sale Documents

To Your Success,

Phil Pustejovsky

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## **Sign Up Doc #1: Authorization to Release Information**

The Authorization to Release Information gives you the authorization to speak to the seller's mortgage company about their loan. Mortgage companies do not allow individuals to simply call in and ask detailed questions about a seller's mortgage without written authorization. Also, you can only negotiate a short sale if you have this document signed by the borrowers of the loan.

One question that often comes up is what name to put on the authorization form. Do you put your company name? Do you put your personal name? The best thing to do is to put your personal name. You want to make it easy for the lender to have you uploaded in their system as authorized. If you put a company name, then you may have to prove to them that you are a part of the company. It's one extra step and it confuses lenders. Keep it simple by putting your personal name on the form as being authorized.

## **Sign Up Doc #2: Purchase Contract**

The Purchase Contract is the cornerstone of signing up a short sale deal. When a seller signs this document, it means that they have agreed to sell the property to you. In addition, this agreement should be set up in such a way as to give you the option to purchase the property, but not the obligation.

You want to lock in the seller but maintain flexibility for yourself, while also not making the agreement look too one-sided. Our Short Sales Step by Step members have access to a Purchase Contract that maintains these characteristics. It took thousands of dollars with some of the top attorneys in the country to develop this one-of-a-kind contract specifically designed for short sales.

### **Sign Up Doc #3: Memorandum of Agreement**

A memorandum of agreement can be pictured as a “post-it note” informing the public that there is an agreement in place between you and the seller. This document informs everyone that the Purchase Contract exists. As simple as this may seem, it is extremely important.

Without a recorded instrument such as this in place, the seller can easily sell the property to someone else without your knowledge. Despite what you may perceive as a kind and honest seller, many sellers will drop you as soon as they think they can get a better deal somewhere else. This document is how you protect yourself in a deal and ensure you get paid for your efforts. Many Short Sales Step by Step members have said that introducing this document to their short sale investing has saved them tens of thousands of dollars.

### **Sign Up Doc #4: Lender Short Sale Documents**

The final documents necessary to a successful short sale deal sign up is any lender specific short sale documents. Each lender has a different set of specific documents they want the borrower to sign as part of the short sale request. For most people, in order to obtain them, you have to jump through numerous hoops at the lender to finally get someone to fax them to you (many lenders will not fax them, but instead will only mail them to the borrower). This is a huge expense of your time. Short Sales Step by Step members have access to the Lender Database. This database has each individual lender’s short sale documents so that all they have to do is print them out. This feature of the Lender Database alone saves our students numerous hours per week.