

SHORT SALE QUALIFICATION CRITERIA

Based on the answers the borrower provided in the short sale feasibility form, this borrower would fall into one of the three categories below:

☐ THESE FACTORS CAN PRESENT GREAT CHALLENGES FOR SHORT SALE APPROVAL

The more factors present in this category the more difficult a Short Sale will likely be.

- ✓ Borrower is in bankruptcy.
- ✓ Borrower cannot demonstrate a valid hardship (keep in mind, simply being upside down alone is not a qualifying hardship).
- ✓ Borrower's income largely exceeds monthly expenses.
- ✓ Borrower's expenses are exaggerated or not considered necessities.
- ✓ Borrower's assets exceed liabilities.
- ✓ Liens that may require extensive negotiation and legal support, including: IRS, HOA, child support, private lenders & mechanic's liens.
- ✓ Offer is below fair market value.
- ✓ A foreclosure sale is imminent and the property not listed and/or no offers. Call us for more details.
- ✓ Borrower is difficult to work with and is unlikely to cooperate with the lender(s).

☐ THESE FACTORS MAY PRESENT A CHALLENGE TO SHORT SALE APPROVAL

- ✓ A first that is refinanced and the lender does not want to give any funds to a second.
- ✓ A second that is refinanced. Some lender may be willing to cooperate if it makes financial sense.
- ✓ The existence of challenging liens.
- ✓ Loans with private mortgage insurance (PMI). The insurer may require a substantial amount of money to and may impose considerably delays.

☐ THESE FACTORS PRESENT AN OPTIMAL SHORT SALE SCENARIO FOR APPROVAL

- ✓ Borrower can demonstrate a valid hardship.
- ✓ Borrower's expenses exceed income.
- ✓ Borrower's liabilities exceed Borrower's assets.
- ✓ The offer is at or above the fair market value.
- ✓ Only one loan exists that was a Purchase Money loan.
- ✓ Two loans exist and both are Purchase Money loans.
- ✓ No liens exist from the HOA, IRS or private investors and no PMI issues.
- ✓ Borrower has a great attitude and is likely to fully cooperate with the lender(s).

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Disclaimer: *This information is provided to gauge the general feasibility of a Short Sale. As each situation is unique, these guidelines are not intended to be used to guarantee any Short Sale. We cannot and do not guarantee the outcome of any Short Sale*