

<http://SeattleShortSales.com>

**1-800-603-3525**

**BANK OF AMERICA**

1515 W. 14th Street  
Tempe, AZ 85281  
Mail Stop: AZ1-807-01-12  
866-880-1232  
Bankofamerica.com

*Bank of Opportunity*

**FAX**

To: [REDACTED]	From: [REDACTED]
Fax:	Email: [REDACTED]@BankofAmerica.com
Phone:	Date: 1/26/11
SPO: Preliminary Contract Approval	Loan #: [REDACTED]

**Please review below for closing instructions:**

This letter is to inform you that the purchase offer has been **pre-approved** based on the current information our office has received. **The next step** is to have the “**final HUD**” emailed to your closer from the title company no more than 5 business days prior to closing. Final HUD approval and closing instructions will be provided no sooner than 3 business days prior to the close of escrow.

You may contact Short Sale Customer Service at 866-880-1232 to get the contact info for your closing negotiator.

Please be sure to include the homeowner’s **loan number** and **closing date** in the subject line. **(Make sure the buyer’s closing instructions have been received by the title company prior to sending any HUD –estimated HUD’s will not be reviewed)** **Once the HUD has been approved, your closing negotiator will issue the demand letter, wiring instructions and documents for the seller to sign at closing. These documents are sent directly to the closing agent ONLY.**

\*\*\*Please be sure to read the attached document regarding how the FHA Seller incentive is to be shown on the final HUD.\*\*\*

If there are any requests that have been made to the HUD you have provided, please be sure they are reflected on the final HUD you send to your closing negotiator.

- **Any liens against the property must be released, or the lien holder(s) must be willing to accept no more than \$1,500.00 to release the lien**
- **HUD cover’s 1% of buyer’s closing cost ONLY if the buyer’s new loan is FHA financing. (Per Mortgagee Letter 2008-43 section J)**

-E-Mail is the best way to send documents-

**Sales Contract Review  
Pre-foreclosure Sale Program**

**U. S. Department of Housing  
and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No.2502-0464  
(exp. 07/31/2009)

**Public reporting burden** for this collection of information is estimated to average 9 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 204 of the National Housing Act authorizes the Secretary to pay an insurance claim that bridges the gap between the fair market value proceeds from the HUD-approved third party sale of a property. The respondent s maybe lenders (mortgagee s), counselors and homeowners who are attempting to sell their properties prior to foreclosure. The Privacy Act of 1974 pledges assurances of confidentiality to respondents. HUD generally discloses this data only in response to a Freedom of Information request.

Mortgagee Contact Person: [REDACTED]	Phone Number: [REDACTED]	Account/Control Number: [REDACTED]	FHA Case Number: [REDACTED]
Homeowner Name(s): [REDACTED]		Property Address: [REDACTED] lynnwood, wa 98037	
Homeowner Name(s):			

Date of Sales Contract: 7/14/10	Date contract Received by Mortgagee: 1/26/11	Sales Agent and Firm: [REDACTED]	Phone Number:	Sales Commission & Rate Six Percent (6%)
Offered By: [REDACTED]		Address:		
Listing Price: \$ 235,000	Price Offered: \$ 235,000	Appraised Value: \$ 235,000	88% of Appraised Value: \$ 206,800	Estimated Net Sales Proceeds: \$ 207,187.00

**Mortgagee (or HUD) Review of the Sales Contract**

The Sales Contract offered by the individuals listed above is:

- Accepted
- Rejected (List reasons below)

This Sales Contract is rejected for the following reasons(s):

[REDACTED] \_\_\_\_\_ Date: 1/26/11  
Mortgagee Signature and Date

Home Owner Name:  
Loan Number:



Offer tentatively accepted per the preliminary HUD rec'd on 1/26/11

>>>If applicable<<< send a revised HUD and matching sales contract, with the requested verbiage addendum signed by all parties.  
FHA will contribute 1% of the purchase price to closing if the new buyer utilizes FHA financing, otherwise FHA does not allow seller credit for closing costs.

Please drop me an email if you have any questions, @BankofAmerica.com

Thanks & Best Regards,



LOAN SERVICE SPECIALIST  
FHA Negotiator

**Bank of America**



Bank of Opportunity™

## Additional Information Regarding HUD-1 Preparations

### *FHA Incentive*

Sometimes preparing the HUD-1 for government short sales and including the FHA incentive (Seller's Compensation) can be confusing. **This page is designed to help you understand this procedure.**

As stated on the Approval to Participate (HUD form 90045), *"If you successfully close a sale of your home under this procedure, you will be paid compensation of \$750 at closing. Your compensation will increase to \$1,000 if the sale of your property closes by"* (\$1,000 for the first 90 days from ATP date and \$750 for anything past 90 days) This compensation is paid to the seller at closing, out of the net proceeds by the Title Company or attorney. In the event there are non-allowed expenses (Release Jr. Liens/Judgments, HOA Dues, Home Warranty, Survey, Pest Inspections, Utilities etc) the incentive can be used to help cover these costs.

Depending on whether or not there are non allowed expenses, we must show the incentive in two different ways. They are as follows:

#### **No Non-Allowed Expenses**

This is the simple one. All that needs to be done is to put the compensation to the seller as "FHA Incentive" for \$1,000 anywhere in the 500s section of the HUD-1 (or \$750 if the date listed on the Approval to Participate form has elapsed). **This amount is deducted from Bank of America's net proceeds and is to be paid to the seller at closing.** Cash to seller on line 603 is to remain at \$0.

#### **If there are Non-Allowed expenses**

In many cases, there are non-allowed expenses that per HUD guidelines Bank of America is unable to pay. In this event, we can apply part of or all of the seller's compensation as funds to help cover these expenses. The first step is adding "FHA Incentive" for \$1,000 (or \$750) **in BOTH the 400's and 500's of the HUD-1.** This is both a credit & debit and will NOT affect the payoff amount or other figures, and is basically only a formality for HUD to show that we are considering the FHA incentive. The 2<sup>nd</sup> step is to subtract the non-allowed expenses from the \$1,000 (or \$750) and list the remainder on line 603 as Cash to seller. This amount will come out of Bank of America's net proceeds and is to be paid to the seller at closing. For example, if there is a Home Warranty for \$300 and a water bill for \$75, that would be a total of \$375 of non-allowed costs. We subtract \$375 from \$1,000 for a difference of: \$625. This is the amount that the seller would receive at closing. The FHA incentive would be \$1,000 in the 400s and 500s, and cash to seller on line 603 would be \$625.00.

Please do not hesitate to contact me if you have any questions. I am happy to help.

