

# Buyer Agent's Due Diligence for Short Sale Buyers

## Questions to prequalify buyer and prepare them for the process:

- Do you LOVE the house?
- What is your timeframe for buying?
- Do you understand the short sale approval process is lengthy and not guaranteed?
- Have you met with a lender for preapproval with the bank that holds the note on the property?
- Do you have a letter of preapproval to submit to the seller's lender?
- Would you be willing to do an inspection, deposit EMD, apply for a mortgage (especially with the current note holder) if you could be assured that no other offers were presented?
- Are you willing to negotiate up to a final sales price of 80-90% of Current Fair Market Value?
- Do you have savings set aside to pay closing costs associated with the transaction? (from 6% to 3% concessions if required by the bank, pay for repairs based on inspection, etc.)
- Are you willing to be flexible on the closing date?
- Are there specific terms or conditions you will want to include in any offers?

## Questions to ask the Listing Agent on behalf of your buyer:

- Is there a seller hardship?
- Who is handling communications with the banks?
- How successful are they?
- Which lender(s)?
- How far behind are they on their payments?
- Has foreclosure been started/filed? When or is there a sale scheduled?
- Are they prepared to pay a deficiency now or in the future if the bank requests?
- Are the sellers being cooperative in providing info and docs?