



SOLID IS

HERE TO HELP

Short Sale Guide

SunTrust Mortgage, Inc. (STM) is dedicated to careful counseling and responsible lending, and we view foreclosure as the last resort for customers experiencing financial difficulty. Foreclosures hurt everyone involved – homeowners, lenders, communities, and the economy as a whole. Our goal is to help our clients be successful homeowners through responsible lending. One of the options available for assistance may include the Short Sale.

What is a Short Sale?

A Short Sale is a workout option that allows the homeowner (mortgagor) to sell the home for less than the total amount owed on the mortgage. Upon final approval, a Short Sale can help mortgagors avoid foreclosure action.

How to get started (Short Sale package requirements)

Typically, the real estate agent takes charge of gathering all required documentation. This package must include:

from the real estate agent:

- Arm's Length Transaction document
- HUD-1
- fully-executed listing agreement
- fully-executed purchase contract

from the mortgagor:

- Signed and dated financial worksheet listing all monthly expenses
- Signed and dated hardship letter (an explanation of why the homeowner is unable to pay the mortgage)
- Letter authorizing the real estate agent access to information on the account (must be dated and include the last 4 digits of the mortgagor's Social Security Number and signature, the full account number and the complete property address)

from the mortgagor (continued):

- last two (2) years tax returns
- two (2) most recent bank statements (within 30 days)
- third party authorization form (to speak with real estate agent, attorney or other 3rd party)
- current year-to-date profit and loss statement (if self-employed)
- two (2) most recent pay stubs (within 30 days)
- signed 4506-T Form

The real estate agent faxes the complete Short Sale Package to 804.675.7399, Attn: Setup.

Short Sale approval process

1. Once all documentation is received (please refer to "Short Sale package" requirements), the short sale team completes a property valuation (appraisal or BPO per investor requirements).
2. The Short Sale file is then assigned to a negotiator on the Short Sale team who will review the file including the documentation and the offer.
3. If there is any missing documentation or request for more information, the Short Sale negotiator will contact the designated third party or the mortgagor.
4. Once all of the required documentation and information is received and in order (refer to "Short Sale package" requirements), the Short Sale negotiator recommends approval to the investor and/or insurer. If the Short Sale offer is acceptable, the negotiator drafts and sends an approval letter to the borrower(s) and/or the designated third party. The Short Sale negotiator then works closely with the real estate agent, title company and the mortgagor to establish a final settlement date.

(Continued on back)

Additional Information

- If the Short Sale fails to close, the entire Short Sale package may need to be resubmitted with updated information, or the approval process may need to start over.
- The real estate agent or STM mortgagor-designated third party should direct their inquiries to 1.800.443.1032, Option 3, Monday through Friday from 8:00 a.m. to 10:00 p.m. The Loss Mitigation Team will answer their questions regarding the status of the account. The call will be forwarded to the Short Sale negotiator as appropriate.
- Real estate agents are generally allowed 5% to 6% commission based on investor rules. If dual agency applies, maximum commission is 5%. Some investors operate on a reduced commission structure and the actual commission schedule can be confirmed during the introduction call.
- The Short Sale must be an “arm’s-length” transaction. The property may not be sold to anyone the seller has a close personal or business relationship with, including family, friends or neighbors.
- During the discussion with the short sale negotiator, the following will be addressed:
 - Commissions
 - Fees and costs
 - Pricing of the property
 - Timeline
 - Borrower Contribution
- In some cases investors and/or Private Mortgage Insurance (PMI) companies require mortgagors to make a cash contribution or sign an unsecured note for some or all of the difference between the net proceeds from the sale and the total amount due. This is communicated as part of the response on a Short Sale offer.

SunTrust Mortgage makes every attempt to process Short Sales within a time frame that suits sellers and buyers. Because there are often many parties involved in a transaction, and each Short Sale is different, it is difficult to know exactly how long the process will take. Here is an overview of the basic process:

- Complete short sale application received.
Note: Incomplete application will delay review/approval process.
- Property Evaluation completed (appraisal or BPO per investor requirement).
- Short Sale application assigned to Loss Mitigation Negotiator.
- Short Sale negotiator completes initial review of Short Sale application.
- Short Sale negotiator completes “Introduction Call” to real estate agent and homeowner.

Additional Steps:

- Mortgage insurer approval (if applicable).
- Investor approval (if applicable).
- Additional liens negotiated by real estate agent.
- A completed net sheet/HUD-1 (our payoff is not necessary).
- Fully executed purchase contract with all pages initiated by buyer(s) and seller(s).
- Buyer pre-qualification letter or proof of funds if cash offer.

All items above are complete.

- Short Sale application decision.
- Short Sale decision letters issued to appropriate parties.



Financial Information

Loan Number: _____



Borrowers: List all persons whose names appear on your mortgage or note			
Name	Mailing Address	Social Security #	Telephone #
1.		- -	Day Evening
2.		- -	Day Evening
Do you collect rent for any part of this house? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how much rent per month do you collect? _____		Property Address	

Person(s) whose income(s) will be used to meet family obligations						
Name					Income (note weekly, bi-weekly, or monthly)	
					Gross	Net
Present Employer(s)/ Type of Work	Address of Employer(s)	Telephone #(s)	Date Employed			
1.						
2.						
Previous Employer	Address of Employer	Telephone #	Date From/To /			
Name					Income (note weekly, bi-weekly, or monthly)	
					Gross	Net
Present Employer(s)/ Type of Work	Address of Employer(s)	Telephone #(s)	Date Employed			
1.						
2.						
Previous Employer	Address of Employer	Telephone #	Date From/To /			

List all other income which is available to meet mortgage payments and other expenses. Identify sources of income (i.e. VA benefits, rent, social security, disability, alimony, welfare, child support, other benefits...etc.)			
Person Receiving Income	Type of Income	Name and Address of Source of Income	Monthly Income

Name, relationship and age(s) of dependents living with you	Name and relationship of other persons you support (former spouse, children...etc.)
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Is the property listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, are you interested in selling the property? <input type="checkbox"/> Yes <input type="checkbox"/> No	How long listed at this price? _____
If yes, what is the list price? \$ _____	Price reduction(s) and date(s) _____
Original list price and date _____	What is the Realtor's Name & #? _____
How long has the property been listed? _____	

Do you have a second mortgage? <input type="checkbox"/> Yes <input type="checkbox"/> No
Mortgage Holder _____
Address & Phone # _____
Principal Balance of 2nd _____ Payment Amount \$ _____ Due Date of 2nd _____

Are there other liens or judgments against the property? <input type="checkbox"/> Yes <input type="checkbox"/> No
Mortgage Holder _____
If yes, who holds the lien? _____ What is the amount of the lien? _____

Are you living at the property? <input type="checkbox"/> Yes <input type="checkbox"/> No
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SELLER

Affidavit of “Arm’s Length Transaction”

State of _____
County of _____

_____ [Seller] (Hereinafter referred to as “Seller” and/or “Affiant”),
being duly sworn, deposes and says, that s/he is the party selling the property identified as
_____ [street address] to
_____ [Buyer] (hereinafter referred to as “Buyer”) in a
short sale transaction;

Affiant further says that no party to the sales contract, including Buyer, Seller’s Agent or Buyer’s Agent, is a relative of, business associate of, or shares any business interest with, Seller;

Affiant further says that there are no hidden or implied terms or special understandings between Seller, Buyer, Seller’s Agent or Buyer’s Agent which have not been made part of the written sales contract and which have not been disclosed to all interested parties;

Affiant further says that there are no agreements or understandings, written or implied, that will permit Seller to remain in the above mentioned property as a renter or to regain ownership of said property at anytime after the execution of this short sale transaction.

Affiant further says that beyond any contractual sales commissions owed to the Seller’s Agent and/or Buyer’s Agent, no party to this short sale transaction will receive any proceeds from the sale of the above mentioned property.

_____/_____
Signature of Affiant / Date

Printed Name of Affiant

_____/_____
Signature of Affiant / Date

Printed Name of Affiant

BUYER

Affidavit of “Arm’s Length Transaction”

State of _____
County of _____

_____ [Buyer] (hereinafter referred to as “Buyer” and/or “Affiant”),
being duly sworn, deposes and says, that s/he is the party purchasing the property identified as
_____ [street address] from
_____ [Seller] (hereinafter referred to as “Seller”) in a
short sale transaction;

Affiant further says that no party to the sales contract, including Buyer, Seller’s Agent or Buyer’s Agent, is a relative of, business associate of, or shares any business interest with, Seller;

Affiant further says that there are no hidden or implied terms or special understandings between Seller, Buyer, Seller’s Agent or Buyer’s Agent which have not been made part of the written sales contract and which have not been disclosed to all interested parties;

Affiant further says that there are no agreements or understandings, written or implied, that will permit Seller to remain in the above mentioned property as a renter or to regain ownership of said property at anytime after the execution of this short sale transaction.

Affiant further says that beyond any contractual sales commissions owed to the Seller’s Agent and/or Buyer’s Agent, no party to this short sale transaction will receive any proceeds from the sale of the above mentioned property.

_____/_____
Signature of Affiant / Date

Printed Name of Affiant

_____/_____
Signature of Affiant / Date

Printed Name of Affiant

BUYER'S AGENT

Affidavit of "Arm's Length Transaction"

State of _____
County of _____

_____ (hereinafter referred to as "Buyer's Agent" and/or "Affiant"),
being duly sworn, deposes and says, that s/he is representing _____
(hereinafter referred to as "Buyer") as his/her agent to the sale of the property identified as
_____ [street address] from
_____ (hereinafter referred to as "Seller") in a short sale transaction;

Affiant further says that no party to the sales contract, including Buyer, Seller's Agent or Buyer's Agent, is a relative of, business associate of, or shares any business interest with, Seller;

Affiant further says that there are no hidden or implied terms or special understandings between Seller, Buyer, Seller's Agent or Buyer's Agent which have not been made part of the written sales contract and which have not been disclosed to all interested parties;

Affiant further says that there are no agreements or understandings, written or implied, that will permit Seller to remain in the above mentioned property as a renter or to regain ownership of said property at anytime after the execution of this short sale transaction.

Affiant further says that beyond any contractual sales commissions owed to the Seller's Agent and/or Buyer's Agent, no party to this short sale transaction will receive any proceeds from the sale of the above mentioned property.

Date

Signature of Affiant

Printed Name and Company of Affiant

SELLER'S AGENT Affidavit of "Arm's Length Transaction"

State of _____
County of _____

_____ (hereinafter referred to as "Seller's Agent" and/or "Affiant"),
being duly sworn, deposes and says, that s/he is representing _____
(hereinafter referred to as "Seller") as his/her agent to the sale of the property identified as _
_____ [street address] to
_____ (hereinafter referred to as "Buyer") in a short sale transaction;

Affiant further says that no party to the sales contract, including Buyer, Seller's Agent or Buyer's Agent, is a relative of, business associate of, or shares any business interest with, Seller;

Affiant further says that there are no hidden or implied terms or special understandings between Seller, Buyer, Seller's Agent or Buyer's Agent which have not been made part of the written sales contract and which have not been disclosed to all interested parties;

Affiant further says that there are no agreements or understandings, written or implied, that will permit Seller to remain in the above mentioned property as a renter or to regain ownership of said property at anytime after the execution of this short sale transaction.

Affiant further says that beyond any contractual sales commissions owed to the Seller's Agent and/or Buyer's Agent, no party to this short sale transaction will receive any proceeds from the sale of the above mentioned property.

Date

Signature of Affiant

Printed Name and Company of Affiant

Request for Transcript of Tax Return

▶ **Request may be rejected if the form is incomplete or illegible.**

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

Caution. If the transcript is being mailed to a third party, ensure that you have filled in line 6 and line 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶

a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days

b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days.

c Record of Account, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 Verification of Nonfiling, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2007, filed in 2008, will not be available from the IRS until 2009. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution. If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of signature date.

Sign Here	▶ Signature (see instructions)	Date	Telephone number of taxpayer on line 1a or 2a
	▶ Title (if line 1a above is a corporation, partnership, estate, or trust)		
	▶ Spouse's signature	Date	

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAVS teams, send your request to the team based on the address of your most recent return.

Automated transcript request. You can call 1-800-829-1040 to order a transcript through the automated self-help system. Follow prompts for "questions about your tax account" to order a tax return transcript.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
Florida, Georgia, North Carolina, South Carolina	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 770-455-2335
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888 559-456-5876
Arkansas, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia	RAIVS Team Stop 6705 P-6 Kansas City, MO 64999 816-292-6102

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6922
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 859-669-3592

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.