



Standard Short Sale/HAFA II Aligned GSE Policy Highlights

May, 2013

Short Sale Policy Alignment – Topics Addressed

Borrower Evaluation

Borrower Eligibility

Imminent Default

Streamlined Documentation

Borrower Contributions

Deficiency Waivers

Borrower Relocation Incentives

Listing Guidance, Offer Evaluations

Ordering Values

List Price Guidance

Minimum Net Cash Thresholds

Evaluating Offers, Timing

MI Delegations

Anti-Fraud Provisions, Resale

Eligibility

Property - Primary residences, investment properties, or second homes.

Borrower

- The borrower has one of the eligible hardships.
- The sale is an arm's length transaction.
- No Third Party fee for service sale agreement.

Streamlined Documentation - No Docs or Contribution *If*:

- Borrower more than 90 days delinquent and FICO score < 620

Imminent Default

- Occupy the mortgage premises as a primary residence.
- Have a total monthly debt-to-income ratio greater than 55% (Military PCS, Exempt)

Contribution / Deficiency / Relocation

- Contribution evaluated in certain circumstances
- *All* borrowers completing short sale receive deficiency waiver
- Owner Occupant/ Primary Residence Borrowers who were waived of contribution requirement receive \$3k relocation incentive (less any non-GSE assistance)

Short Sale Transaction

Earlier Ordering of Valuations – Proactive Support of Short Sales

- Servicers must now order values if:
 - Borrower expresses interest in short sale
 - Property is listed

List Price Guidance

- Servicers should proactively provide list price guidance

Offer Response Times

- Servicers must respond to short sale offers within 30/60 days

MI Delegations

- Both GSEs have or will have broad delegations from MI companies to approve short sales

Resale Restrictions

- Deed restrictions on resale within 90 days of closing

Short Sale Affidavit, Subordinate Lien Releases

- All parties to the transaction required to sign a Short Sale Affidavit
- Subordinate lien holders must release borrowers if receiving \$'s from closing

Resources

Freddie Mac Standard Short Sale Web Page

FreddieMac.com/singlefamily/service/short_sales.html

- *Bulletin 2012-16: Freddie Mac Standard Short Sale*

Freddie Mac Standard Short Sale FACT SHEET for REALTORS

http://www.freddiemac.com/singlefamily/pdf/ss_realtor.pdf

Fannie Mae Short Sales Web Page for Borrowers & Real Estate Professionals

- <http://www.homepathforshortsales.com/>

Fannie Mae Servicing Guide Announcement Links

- Standard Short Sale/HAFSA II Policy Announcement:
<https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2012/svc1219.pdf>
- Short Sale Response Time Line Announcement:
<https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2012/svc1207.pdf>