Checklist for Buyer Considering a Short Sale:

EXTRA DETAILS FOR POTENTIAL BUYERS

REGARDING THE PURCHASE OF A PROPERTY INVOLVED IN A SHORT SALE

At the First Meeting with a Potential Buyer

Note: This form is intended to gather and share relevant details with a potential buyer regarding current market trends and conditions.

Example Questions to Ask a Potential Homebuyer

1. Are you planning to live in the property as your main home, or are you looking to buy for investment purposes?
2. Do you have a specific deadline for completing the purchase or moving into the property?
3. Have you consulted with a lender regarding financing for your purchase?
   a. Which lender did you speak with?
   b. Have you been prequalified for a mortgage?
   c. Do you possess a formal loan approval letter?
   d. If yes, what kind of loan have you been approved for?
   e. Will you need to sell your current home or other property in order to purchase a new one?
4. Are you open to buying a property involved in a short sale (please explain what this entails) or one that has been sold through foreclosure?
   a. If yes, are you aware that the buying process may take longer than usual?
   b. It's important to have your financing secured so you can close promptly once the sale receives approval.
   c. Please understand that these homes are typically sold "as is," meaning neither the distressed sellers nor the lending institutions are likely to make repairs.
5. Explain how your firm receives payment, that the Buyer must sign a buyer representation agreement, clarify whether it is exclusive, and specify the compensation amount the Buyer will owe your company.
6. Strongly advise the Buyer to arrange for a home inspection conducted by a licensed inspector before finalizing any purchase.
7. Do you have a preferred attorney you typically work with?
   a. If yes, could you please provide the name of your legal representative?
   b. If no, would you like help locating an attorney? (This is a good opportunity to highlight why having legal counsel is important, especially when considering the purchase of short-sale or foreclosure properties.)
   c. Your attorney may recommend including specific terms in the purchase offer, such as conditions about the earnest money, potential deadlines, or wording to address if the buyer's contract is a secondary or "back-up" agreement.

Designated Agent reviewed these items with the prospective Buyer on this __ day of _________________, 20_____.

Signed ______________________________________

Designated Agent

This material was created by legal experts. Please consult your broker's office guidelines and protocols concerning short sale transactions; advise your clients to seek guidance from their own attorney for specific contract wording and legal advice; and both you and your sponsoring broker should obtain legal counsel when necessary.