

# SSA Insights

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## *Disappointed with HAFA? You are not alone.*

The HAFAs we have been seeing as of late are not coming through preapproved with a Short Sale Agreement in which the lender stipulates the price and then the property is listed. The typical HAFAs we have seen are done with an ARASS and are Alternate HAFAs, meaning an offer has already been received before the seller has started the process of qualifying for HAFA with their lender. In these cases, the time frames are longer than a typical short sale since the lender may take the seller through the HAMP eligibility process and follow federal, lender and investor guidelines before considering them for HAFA.

The quarterly SIGTARP\* report issued to Congress on October 26, 2010\*\* reported the majority of TARP funds allocated are being paid through HAMP for successfully modifying loans. Funds paid toward HAFAs that have closed amount to a dismal 342 short sales or DIL's nationwide. We can only hope there are many more in the pipeline awaiting an escrow closing!

\*Office of the Special Inspector General for the Troubled Asset Relief Program

\*\*Source: [www.sig tarp.gov/reports/congress/2010/October2010\\_Quarterly\\_Report\\_to\\_Congress.pdf](http://www.sig tarp.gov/reports/congress/2010/October2010_Quarterly_Report_to_Congress.pdf)

## *Helpful HAFA Info*

- A. Federal guidelines are not the only criteria a lender or investor uses, but are only the minimum qualifying guidelines. Each lender may have their own additional criteria for approval.
- B. The first lender can approve for HAFA and second lender may deny it – in which case it is not a HAFA anymore and must be negotiated as a traditional short sale. Find out if the second lender will participate in a HAFA before committing to the process with the first lender.
- C. Lenders' time frames for approval increase with a HAFA because it takes longer to go through regulated steps for approval. Count on Wells Fargo, Chase, BAC and other major lenders to increase their closing time frames by at least 3-4 weeks. Make sure the seller is aware and buyer does not "walk" by giving realistic time frames up front.
- D. Visit [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov) for more a detailed Q&A for you and your sellers, as well as a list of lenders who have conditionally agreed to participate in HAFA.
- E. Wondering what the current trends and timeframes are for your seller's lender? Call or email us at [info@shortsaleadvantage.com](mailto:info@shortsaleadvantage.com).

## *Happy Thanksgiving from all of us at Short Sale Advantage*

We know you have a choice and we appreciate your trust and loyalty! Warm wishes to you and your families for a joyful holiday weekend.



*You are receiving this newsletter because you either attended a class taught by a Short Sale Advantage representative, or you provided your email requesting more information about our company.*