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HOMEOWNER RESOURCE

Short-Sale Document Checklist

A client-facing collection guide for building a complete, current, and securely organized short-sale file.

Each servicer and loan investor has its own requirements. The servicer's current package controls.

How to use this checklist

Gather documents by section, mark the date delivered, and keep every page. Bank statements, tax returns, identification, and loan records contain sensitive information; use the secure delivery method provided by your servicer, attorney, title company, or agent.

Never send by ordinary email unless specifically approved

Do not place a Social Security number, bank password, full account number, or unredacted identity document in a regular email or website form. Ask where documents should be uploaded securely.

1. Authorization & Identity

Done	Document / requirement	Received	Notes / expires
☐	Signed third-party authorization naming each person permitted to speak with the servicer.	____ / ____ / ______	
☐	Government-issued photo identification for each borrower/owner, when required.	____ / ____ / ______	
☐	Current mortgage statement for every loan or deferred balance.	____ / ____ / ______	
☐	Servicer loan-assistance or short-sale application and any privacy/communication forms.	____ / ____ / ______	
☐	Borrower names, property address, and last four digits of each loan number checked for consistency.	____ / ____ / ______	

2. Ownership & Property

Done	Document / requirement	Received	Notes / expires
☐	Recorded deed or title/vesting information.	____ / ____ / ______	
☐	Property-tax bill and any delinquency, payment-plan, or tax-lawsuit documents.	____ / ____ / ______	
☐	HOA/POA statement, account ledger, resale information, and collection-attorney contact, if applicable.	____ / ____ / ______	
☐	Homeowners-insurance declarations page; open claim, force-placed policy, or insurance-proceeds information.	____ / ____ / ______	

Done	Document / requirement	Received	Notes / expires
☐	Lease, tenant ledger, notices, and security-deposit information if the property is occupied by a tenant.	____ / ____ / ______	
☐	Divorce decree, death certificate, probate/heirship documents, trust, power of attorney, guardianship, or entity documents, if applicable.	____ / ____ / ______	
☐	Solar, HVAC, roof, water-treatment, PACE, or other financed-improvement contracts and statements.	____ / ____ / ______	

3. Hardship & Financial Package

Done	Document / requirement	Received	Notes / expires
☐	Signed hardship letter explaining what happened, when it began, whether it is temporary or permanent, and the requested resolution.	____ / ____ / ______	
☐	Servicer financial worksheet / borrower assistance form, fully completed and signed.	____ / ____ / ______	
☐	Two most recent bank statements for all requested accounts, including every page—even blank pages.	____ / ____ / ______	
☐	Recent pay stubs or other proof of income for each household earner.	____ / ____ / ______	
☐	Federal tax returns and IRS authorization requested by the servicer.	____ / ____ / ______	
☐	Year-to-date profit-and-loss statement and business bank statements for a self-employed borrower.	____ / ____ / ______	
☐	Benefit, pension, Social Security, unemployment, disability, child support, rental, or other income documents.	____ / ____ / ______	
☐	Monthly household budget / expense worksheet.	____ / ____ / ______	
☐	Supporting hardship records when relevant and appropriate; redact unrelated sensitive medical detail unless required.	____ / ____ / ______	
☐	Written explanation for large deposits, missing income, occupancy changes, name differences, or unusual facts.	____ / ____ / ______	

4. Listing & Market Evidence

Done	Document / requirement	Received	Notes / expires
☐	Executed listing agreement and required disclosures.	____ / ____ / ______	
☐	MLS printout and complete listing/price-change history.	____ / ____ / ______	
☐	Comparative market analysis with active, pending, sold, expired, and withdrawn competition as appropriate.	____ / ____ / ______	
☐	Interior and exterior photographs showing current condition.	____ / ____ / ______	
☐	Repair estimates, inspection findings, code notices, insurance estimates, or contractor bids.	____ / ____ / ______	

Done	Document / requirement	Received	Notes / expires
☐	Showing activity and buyer-feedback log demonstrating market response.	____ / ____ / ______	
☐	Written explanation of new-construction incentives or other local competition affecting value, when material.	____ / ____ / ______	

5. Offer & Contract Package

Done	Document / requirement	Received	Notes / expires
☐	Fully executed applicable TREC contract with all required addenda, including the current Short Sale Addendum when applicable.	____ / ____ / ______	
☐	Buyer preapproval letter or proof of funds dated within the lender’s required period.	____ / ____ / ______	
☐	Buyer entity documents and beneficial-owner information if the buyer is an LLC or other entity and the servicer requests them.	____ / ____ / ______	
☐	Arm’s-length affidavit or transaction disclosure required by the servicer.	____ / ____ / ______	
☐	Complete preliminary settlement statement showing purchase price, lender net, taxes, title charges, commissions, concessions, junior-lien payments, and other costs.	____ / ____ / ______	
☐	Earnest-money receipt, option-fee evidence, and title-opening confirmation as required by the contract and lender.	____ / ____ / ______	
☐	Buyer/seller/agent relationship disclosures and any requested occupancy certifications.	____ / ____ / ______	

6. Title, Liens & Payoffs

Done	Document / requirement	Received	Notes / expires
☐	Current title commitment and legible Schedule C requirements.	____ / ____ / ______	
☐	Written payoff statement for the first mortgage through an estimated closing date.	____ / ____ / ______	
☐	Separate payoff or settlement demand for every second mortgage, HELOC, partial claim, deferral, forbearance, modification, or other subordinate lien.	____ / ____ / ______	
☐	Property-tax certificate and payoff for delinquent taxes, lawsuits, or payment plans.	____ / ____ / ______	
☐	HOA/POA payoff including assessments, attorney fees, transfer charges, resale fees, and foreclosure costs.	____ / ____ / ______	
☐	Payoff/release requirements for judgments, IRS/state tax liens, child-support liens, mechanic’s liens, municipal liens, UCC fixture filings, solar loans, PACE assessments, and other claims.	____ / ____ / ______	
☐	Written confirmation of any negotiated lien reduction, release, assumption, or approved closing payment.	____ / ____ / ______	

7. Submission & Approval Tracking

Done	Document / requirement	Received	Notes / expires
☐	Servicer submission channel, department, phone, fax/portal address, and case number recorded.	____ / ____ / ______	
☐	Complete package transmitted together when possible; delivery confirmation saved.	____ / ____ / ______	
☐	Single point of contact, negotiator, or escalation contact recorded.	____ / ____ / ______	
☐	Missing-item letters answered before the stated deadline.	____ / ____ / ______	
☐	Document expiration dates tracked; updated bank statements, pay stubs, settlement statements, and buyer approvals requested before they lapse.	____ / ____ / ______	
☐	Valuation/BPO appointment and access coordinated.	____ / ____ / ______	
☐	Written short-sale approval letter reviewed line by line before scheduling closing.	____ / ____ / ______	
☐	Approval expiration, required closing date, minimum net, commission, concessions, relocation funds, junior-lien payments, deficiency language, and reporting requirements calendared.	____ / ____ / ______	
☐	Foreclosure sale postponement or cancellation confirmed in writing; never assumed from the short-sale review alone.	____ / ____ / ______	

What Happens After the Package Is Submitted

1	**Completeness review** The servicer decides whether the package is complete and may request additional or newer documents.
2	**Eligibility and valuation** The servicer/investor reviews hardship, program rules, title, and value—often using a BPO or appraisal.
3	**Offer and net review** The purchase contract and preliminary settlement statement are evaluated against required net proceeds and allowable costs.
4	**Approval, counter, or denial** The servicer may approve in writing, counter the terms, request changes, or deny. A verbal statement is not closing authority.
5	**Approval compliance and closing** Every term in the written approval must be met, and all liens must be released or otherwise handled before title can close.

Approval letter review
The homeowner should ask an attorney and tax professional about deficiency language, debt forgiveness, tax reporting, contribution requirements, relocation funds, and continuing liability. The approval letter—not a general conversation—controls the lender's terms.

REFERENCE

Professional Use Notes & Sources

Scope boundary

These materials support real estate brokerage conversations and file management. They are not legal, tax, bankruptcy, credit-repair, appraisal, or mortgage-servicing advice. Use current forms, follow Surge Realty policy, and refer questions outside the agent’s scope.

Texas foreclosure procedure: Texas Property Code Chapter 51. Written notices, the deed of trust, lien type, loan type, court orders, bankruptcy status, military protections, and other facts may change the timeline.

Federal mortgage-servicing protections: Consumer Financial Protection Bureau, Regulation X, 12 C.F.R. § 1024.41. A complete loss-mitigation application submitted early enough can trigger review and certain procedural protections; exceptions and loan coverage matter.

Short-sale contract form: Texas Real Estate Commission Short Sale Addendum, TREC No. 45-2, and the applicable current promulgated contract.

Housing counseling: U.S. Department of Housing and Urban Development. Find a HUD-approved housing counselor at 800-569-4287.

Marketing and representations: Federal Trade Commission Mortgage Assistance Relief Services guidance. Real estate professionals assisting with a sale must avoid misrepresentations and should not market themselves as loan-modification or foreclosure-rescue providers.

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