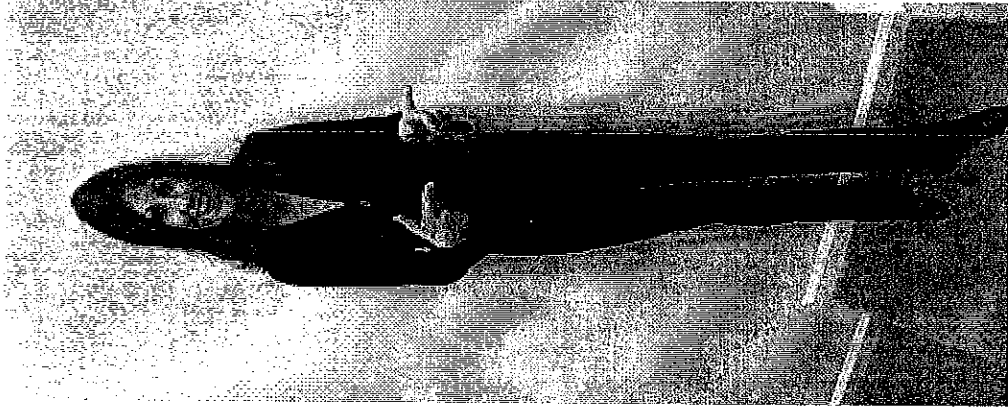




**SHORT SALE
Required Documents**



1. Letter of Authorization
2. Hardship Letter
3. Tax records for previous 2 years
4. 2 months of current bank statement for all accounts
5. 2 most recent pay stubs
6. Financial Worksheet
7. Completed Listing Agreement
8. Ratified Contract
9. Lenders Pre-approval Letter
10. Estimated HUD-1





Authorization for Release of Account Information

Property Address: _____ City/State/Zip: _____
Owner #1: _____ SSN: _____
Owner #2: _____ SSN: _____
Mortgage Company name and Address _____
Loan Number: _____ Date: _____

To Whom it May Concern:

I, _____ fully authorize Chantel Ray Real Estate Inc. to act, speak and carry on my behalf for the above referenced loan including but not limited to negotiating payoff and obtaining any information to do with a short sale.

Printed Name _____

Printed Name _____

Signature _____

Signature _____

Please be advised that the above referenced property is being offered for sale. We, _____, the undersigned, give authorization for you to speak with The Chantel Ray Real Estate Inc; Chantel Ray, Dave Forsyth, John McLaren, Heather Rego, Kim Drinko, Nadine Palmer, Crystal Hoover regarding the status of my account. We also authorize you to speak with our Real Estate Attorney's office, _____.

Please furnish the following information in writing within 10 business days as required by Section 6, 1-2.9.3 Code of Virginia which states lenders must provide at NO COST to the owners of residential real estate, information concerning assumption and payoff of their mortgages.

Date loan was made: _____

Monthly payment (P&I): _____

Term: _____ years

For Insurance/Tax Escrow: _____

Type (Circle One): Conventional FHA VA ARM

Escrow Account Balance: _____

OTHER: _____

Payoff Penalty: _____

Original Amount: \$ _____

Is loan Assumable (Circle One): Yes No

Current Balance: \$ _____

At what Interest Rate: _____

Interest Rate: \$ _____

Assumption Fee: _____

Current Payoff: \$ _____

Good through: _____

Sales Associate: _____

Address: Chantel Ray Real Estate Inc. Realtors

195 S. Rosemont Road, Suite 111

Virginia Beach, VA 23452

I (We), the undersigned, authorize you to speak to any member of the Chantel Ray Real Estate Inc. regarding my loan. You can also mail the requested payoff information to Chantel Ray Real Estate Inc. Realtors at the above address or fax to 757-351-2597.

Dear Customer,

In order to review your request for assistance, please **print** and complete the following financial worksheets. Please **fax** or mail your completed worksheet along with the supporting documents listed below to:

1. Completed financial disclosure statement for all mortgagors of record.
2. Hardship letter outlining your situation in detail noting all measures taken to date to resolve your problems.
3. Complete income tax returns for the 2 previous years for all mortgagors listed on loan.
4. Last two months bank statements, including all checking, savings, money market, etc.
5. Copies of the most recent pay stubs (2 months) for all mortgagors on the loan.
6. If applicable - We will order an recent appraisal or independent broker price opinion on the subject property.
7. If applicable - A copy of the listing agreement for the subject property.
8. If applicable - A copy of the fully executed contract of sale for the subject property. Also, a copy of the estimated sales proceeds listing a breakdown of all closing costs. A clause must be included in the contract of sale making it contingent upon the approval of the mortgage loan investor and the insurer or guarantor of your loan.
9. If applicable - A copy of the buyers pre-qualification letter.

If the requested documentation is not provided, or is incomplete, your package will be returned and the processing of your request for relief will be suspended. Our offer to review any information that you submit **DOES NOT REPRESENT A GUARANTEE** that relief will be granted by the Mortgage Service Center, the mortgage loan investor, the Insurer or the Guarantor of your loan.

IF YOU HAVE BEEN NOTIFIED THAT FORECLOSURE ACTIVITY HAS BEGUN, SUCH ACTIVITY WILL CONTINUE UNTIL YOUR LOAN IS CURRENT OR UNTIL YOU RECEIVE WRITTEN NOTIFICATION THAT RELIEF HAS BEEN GRANTED

Please be advised that some mortgage relief programs may have Federal tax implications. Please consult your tax preparer or contact the IRS for additional information.

Mortgage Loan #: _____ Property Address: _____

I, _____ am requesting that Mortgage Service Center to review my financial situation to see if I qualify for a Workout Option to avoid Foreclosure. Workout Option to avoid Foreclosure.

I am having difficulty making my monthly payments because of financial difficulties created by: (Please check the one that CLOSEST matches your situation or use the or use the "other field to briefly describe your situation)

- Unemployment
- Separation
- Death of Spouse
- Job Relocation
- Military Service
- Other (please specify): _____
- Reduced Income
- Excessive Debts
- Payment Increase
- Business Failure
- Damage to Property
- Divorce
- Medical Bills
- Illness
- Incarceration

Explain Hardship: _____

I believe that my situation/hardship is:
I would like to participate in a Workout Solution: Temporary Permanent
I would like to keep my property: Yes No Yes No

Are there any additional liens on this property to the best of your knowledge. If so, please fill out the name, company or firm that is holding that lien.

Lien Holder's Name Amount of Lien

Borrower's Signature Co-Borrower's Signature

To Whom It May Concern:

From:

Subject:

Date:

I am writing this letter to advise that I am currently experiencing a financial hardship. I have tried to work around this difficult time by listing my home for sale. Unfortunately, when it was previously listed I had no offers. In addition, the builder for the community cut the base price of the homes \$100,000 further compounding the difficulty in selling the property. After speaking with several realtors in my area, I learned that I would likely have to pay cash at closing since my house is overleveraged. Over the past several months I've experienced changes in my income, which have adversely affected my ability to meet my mortgage and other financial obligations. I relied on income from when I made the purchase and some savings. Unfortunately, my position with was phased out and moved to another part of the state. As a result, I was without a primary source of income for a few months. I also relied on income from my business. Historically, my business is slow in the winter months; however, it earned significantly less than it had in previous years this past winter. The combination of the temporary loss and the lack of sufficient income from my business directly resulted in my delinquency. Increased costs related to my business also affected the income I was able to draw from. In sum, this shortage has made it extremely difficult to catch up since that time.

As a result of the above circumstances I do not have the financial resources to make good on the past due balance on the mortgage or make the monthly payments.

The house is not worth what I currently owe. However, since re-listing the home a few months ago at a current estimated value; I have received an offer from qualified buyers who are looking to close as quickly as possible. Hopefully, you can work something out with the person interested in buying my house on the amount owed so they can purchase it and help me move on.

Thank you for your time and I hope we can have this matter resolved soon.

Sincerely,

7 Day Systems

Short Sale Pre-Qualification Questionnaire

Date Interviewed: _____

Homeowner Info

Owner(s): _____

Married? Y N Note: _____

Property Address: _____

City: _____ ST: _____ Zip: _____ Telephone H: _____ W: _____ C: _____

Email Address: _____ Last four digits of Social Security #: _____

How did you hear about us? _____

Referred by agent? N Y If so, agent name: _____ Is agent keeping listing: N Y

Property Info

Home previously on the market? N Y If so, how long? _____ Price? _____

Previous MLS# _____ (attach previous MLS sheet)

Is property occupied: N Y Note: _____ Address if not living in property: _____

Loan/Lien Info

Mortgage Company: 1st _____ 2nd _____ Type of Loan FHA CONV VA

Loan # (if they know): 1st _____ 2nd _____ Primary name on loan: _____ Secondary: _____

How much owed: 1st \$ _____ 2nd \$ _____

Do you have a copy your most recent mortgage statement? N Y If so, send to us.

Is the mortgage past due? N Y If so, how many months? _____

Is there a foreclosure date set: N Y If so, date = _____

Do you have copies of the foreclosure paper work: N Y If so, send to us.

Is there a bankruptcy or other lien(s) on property? N Y If so, type/lien holder? _____

Have you requested any re-financing/loan modifications with your lender? N Y

Is there an HOA: N Y If so, Name/Amt/When due: _____

Hardship Info

Reason for Default: Divorce _____ Death _____ Medical _____

Job Transfer _____ Loss of Income _____ Increased Expenses _____

Other _____

Do you want to stay in your home (not sell)? N Y Note: _____

What will you do after you sell? _____

Notes for Hardship Letter:

_____ I can no longer afford to make the mortgage payments on this home. I have to sell my home and based on the market conditions, I have no alternative but to seek a short sale.

PERSONAL FINANCIAL STATEMENT

Loan Number: _____ Mortgage Company: _____

Property Address: _____

Borrower Name: _____ **Co Borrower Name:** _____
Mailing Address _____ **Mailing Address** _____
City, State Zip _____ **City, State Zip** _____
Home Phone: _____ **Home Phone:** _____
Work Phone: _____ **Work Phone:** _____
email address: _____ **email address:** _____

REALTOR: _____

Have you contacted credit counseling services?: Y N

Number of cars you own: _____

MONTHLY INCOME (BORROWER)	MONTHLY INCOME (CO-BORROWER)	TOTAL
Take Home Pay \$ _____	Take Home Pay \$ _____	
Unemployment Income \$ _____	Unemployment Income \$ _____	
Disability Income \$ _____	Disability Income \$ _____	
Other \$ _____	Other \$ _____	
TOTAL \$	TOTAL \$	TOTAL \$

MONTHLY EXPENSES	(ALL-BORROWERS)	TOTAL
Mortgage Payment \$ _____	Legal Counsel \$ _____	
Automobile Gasoline \$ _____	Medical Expenses \$ _____	
Automobile Insurance \$ _____	Life Insurance \$ _____	
Automobile Loans \$ _____	Online Service \$ _____	
Automobile Maintenance \$ _____	Other Expenses \$ _____	
Automobile Parking \$ _____	Other Loans \$ _____	
Cable/TV/Satellite \$ _____	Prescription Drugs \$ _____	
Child Care \$ _____	Property Maintenance \$ _____	
Club and Union Dues \$ _____	Real Estate Taxes (not in mortgage payment) \$ _____	
Credit Cards \$ _____	Religious/Charitable Contributions \$ _____	
Dental Expenses \$ _____	Rent \$ _____	
Dry Cleaning/Clothing/Uniforms \$ _____	School Tuition \$ _____	
Entertainment Movies, Dinners, \$ _____	Spending Money \$ _____	
Installment Loans \$ _____	Student Loan \$ _____	
Furniture/Appliances \$ _____	Telephone/Pager/Cel Phone \$ _____	
Groceries \$ _____	Water/Sewage \$ _____	
Health Insurance (not payroll) \$ _____	Other: \$ _____	
Heating/Electricity \$ _____	Other: \$ _____	
Homeowners Association Dues \$ _____	Other: \$ _____	
Property Insurance \$ _____	TOTAL \$	TOTAL \$

ASSETS & LIABILITIES (ALL-BORROWERS)	TOTAL
Checking Account \$ _____	
Savings/Money Market \$ _____	
Stocks, Bonds and CDs \$ _____	
IRA/Keogh Accounts \$ _____	
401K/ESOP Accounts \$ _____	
Cars with no liens \$ _____	
Other \$ _____	
TOTAL \$	TOTAL \$

I agree that the financial information provided is an accurate statement of my financial status. I understand and acknowledge that any action taken by the lender is in strict reliance on the information provided. My signature below grants the holder of my mortgage the authority to confirm the information that I have disclosed in this financial statement, to verify it is accurate by ordering a credit report, and to contact my REALTOR and/or credit counseling service representative (if applicable).

I grant my REALTOR, Chantel Ray Real Estate, permission to discuss this account on my behalf.

Borrower's Signature: _____

Date: _____

Co-Borrower's Signature: _____

Date: _____

H.R. 3648

Mortgage Forgiveness Debt Relief

Act of 2007

October 4, 2007

Permanent exclusion from gross income of discharged home mortgage indebtedness.

The bill would amend current law, which requires taxpayers to include discharges of mortgage indebtedness as income and to pay tax on this income. The bill would provide a permanent exclusion for discharges of up to two million dollars of indebtedness (on or after January 1, 2007) which is secured by a principal residence and which is incurred in the acquisition, construction, or substantial improvement of the principal residence. Instead of including this amount as income, the basis of the individual's principal residence would be reduced by the amount excluded from income under this bill. *This proposal is estimated to cost approximately*

\$1.4 billion over 10 years.

Long-term extension of the deduction for mortgage insurance. The bill extends the deduction for mortgage insurance for seven years (through the end of 2014). Current law limits

the deduction for mortgage insurance to payments (including Veterans Administration, Rural

Housing Administration, and Federal Housing Administration insurance premiums) made prior

to the end of 2007. The bill would provide that payments will qualify for this deduction whenever they are paid so long as the contract is entered into after 2006 and before 2015. *This*

proposal is estimated to cost \$570 million over the next 10 years.

Modification of the qualification tests for cooperative housing corporations. The bill would

modify the requirements for qualifying for the special rules available to cooperative housing

corporations. Under current law, a cooperative housing corporation must meet several requirements, including a requirement that 80 percent or more of the cooperative housing corporation is earned from the corporation's tenant-stockholders. The bill would provide two

alternatives to this 80 percent rule (i.e., one based on square footage and another based on cooperative expenditures). These two alternatives will make it easier to qualify as a cooperative

housing corporation. *This proposal is estimated to cost \$22 million over 10 years.*

Modification of exclusion of gain on sale of a principal residence. The bill amends the current law exclusion of up to \$250,000 (\$500,000 if married filing a joint return) of gain realized on the sale or exchange of a principal residence. Under current law, the sale of a home will qualify for this exclusion if the home is a taxpayer's principal residence for at least two of the five years ending on the sale or exchange. This exclusion applies even if the home was initially purchased as a second home. Under the bill, if a taxpayer moves their principal residence to a second home, the taxpayer will only be able to utilize this exclusion to the extent that it relates to the period of time when the home was first used as a principal residence. The bill grandfather's use before 2008. *This proposal is estimated to raise \$2.005 billion over 10 years.*



ACKNOWLEDGMENT OF DISCLOSURES ABOUT SHORT SALES

(Initial each paragraph)

RE: _____ (Address)

___/___ I agree to have Short Sale Champs process and negotiate my short sale with my lender(s). I understand Short Sale Champs does not work directly for the Chantel Ray Real Estate Inc.. Short Sale Champs is a sub-contractor for Jones & Walker PC law firm. I agree that Jones & Walker will prepare settlement statements and legal documents and represent me in the closing.

___/___ The fees that Jones & Walker and Short Sale Champs will collect at closing will be \$2,950.00 or less for negotiation & attorney fees and \$395 fee paid to Short Sale Champs at closing. Seller will not have to pay this fee out of pocket, because it will be taken out of the bank's proceeds at closing. This fee will only be collected if the bank approves the short sale and the transaction closes. The reason for this fee is that the amount of work required for a short sale is about 10 times more than a regular transaction. The only way that I will owe this fee is if I refuse to close after the short sale is approved.

___/___ I understand that many lenders will not consider a short sale application if you are current on your mortgage. While my real estate agent cannot advise me to stop paying my mortgage, I may choose to do so in order to facilitate the short sale. I understand that if I stop paying my mortgage, there will be negative credit results and it could eventually result in foreclosure.

___/___ Whether my lender will release me from liability for any deficiency depends on many factors which are outside of my agent's knowledge and control. Chantel Ray Real Estate Inc. cannot guarantee that my lender will state in writing that it will not pursue me for any deficiency after the short sale, even if my lender does not intend to do so. (NOTE: In our experience less than half of lenders will commit that they will not pursue deficiency or expressly waive the right to deficiency. Some others are silent on the matter and a few expressly reserve the right to pursue the deficiency.) I understand that if I want something in writing from my lender saying they will not pursue a deficiency, I may need to request this from my lender myself. I understand my lender may impose additional requirements, such as a cash contribution or promissory note, in order to give this written release of liability.

___/___ I understand that as an alternative to pursuing a deficiency, my lender may forgive the deficiency and send me a 1099. (NOTE: Whether you will have to pay taxes on the 1099 amount depends whether you are eligible under the mortgage debt forgiveness act 2007. Seek an accountants' advice.)

___/___ I agree to fully cooperate with Chantel Ray Real Estate Inc. and Short Sale Champs until final closing by providing all necessary documents required for short sale approval, such as bank statements, current paystubs, prior 2 years of tax returns, financial statement, budget, and any other documentation requested and needed to facilitate in the negotiations.

___/___ I understand that the Chantel Ray Real Estate Inc. reserves the right to terminate the listing agreement and withdraw the listing if the required documents to process the short sale are not provided within 72 hours of initial request

___/___ I understand the property has to undergo many inspections during the sale process for the buyer to obtain financing. I understand I may have to perform certain repairs (e.g. termite & moisture) for the buyer to get financing, and I agree to maintain property in its present condition (including lawn maintenance and utilities) until final closing.

___/___ If my property is in a property owners association or condo association and that association requires payment up front for resale package, I agree to pay for package which may range \$100-\$350.

___/___ I understand that I am still responsible to pay all routine municipal charges (water sewer, storm water, waste fee) and association dues for the property, because the short sale lender will usually not allow for these to be paid out of proceeds at settlement.

___/___ I understand that the Chantel Ray Real Estate Inc. cannot guarantee a timeframe for the short sale approval. (NOTE: The fastest we have ever had a short sale approved was in 5 weeks. However the longest it has taken has been 1 year 3 months. On average the process takes about 4 months.)

___/___ Sometimes the bank will offer a "deed in lieu" where the seller signs the deed over to the bank instead of the bank doing a foreclosure. This is something I must decide on before listing the property with Chantel Ray Real Estate Inc.. I understand that, if after listing the property, I later decide to participate in the deed in lieu with the bank, there will be a flat fee of \$995 to be released from the listing. Once I have a sign a contract with a buyer, this is no longer an option. Chantel Ray Real Estate Inc. is not a lawyer or accountants and cannot assure you a short sale is the best option for you.

READ AND UNDERSTOOD:

Date: _____

Date: _____