

How to Maximize Your Success with Short Sales

Get Paid Multiple Times from Your Short Sale Listings
while doing less work

Presented By:
Bormio Properties, LLC



What is a Short Sale?

- “A short sale occurs when the proceeds of a real estate sale fall short of the balance owed on the property”

Why do lenders consider short sales?

- Lenders are in business to loan money, not own real estate
- If a lender forecloses, the value of the loan contributes to their insolvency
- Foreclosures cost lenders time and money
- The short sale offer is equal to or greater than what a lender can expect to gain by foreclosing and selling the property
- Property has been left in an “unsellable condition” by the seller

Current Market

- How many agents have short sale listings?
- How many agents have walked away from short sale listings?
- How many agents have successfully negotiated and closed a short sale...yet promised to NEVER do that again?

Common Realtor Objections to Working Short Sales

- Buyers Agents won't show them because by the time (if ever) the bank approves the deal the buyer ends up walking!
- Listing Agents must wait for an offer realizing that every day that goes by is a day closer to the Sherriff Sale aka Foreclosure!
- Listing Agents must become "loss mitigators" and spend all of their time on the phone negotiating with lenders. This takes away time from what they are really trained to do which is to sell houses!

Did You Know...

- Average broker or agent closes 10% of the short sales they attempt (according to NAR)
- Foreclosures are at an all time high
- YTD more than 50% of all sales were some type of “distressed” property (short sales)
- If you are not working with short sales, you are missing at least 50% of the market.

Who We Are

- We are Professional Loss Mitigators. Negotiating Short Sales is what we do exclusively
- Our Team has been negotiating short sales for over 6 years
- Our Goal is to create a WIN-WIN-WIN
 - Homeowner – Will avoid foreclosure
 - Lender – will liquidate their non-performing asset
 - You – will get paid your full commission (in some cases we can double your commission) without negotiating the short sale and you'll help this homeowner avoid foreclosure creating more referrals for you

Why Do Short Sales?

- Properties will sell faster if priced properly
- Seller avoids foreclosure on their credit
- Establishes you as the Solution Provider
- Seller will refer other clients to you
- You provide value to your buyers
- Generates income stream in slow market
- Helps stimulate the economy

Your Options for Listing Overleveraged Houses

- Turn them down because they won't sell
- List the house at a price that is overpriced to cover all payoffs and closing costs
- List them as short sales and do the short sale negotiations yourself wasting your time
- Outsource your negotiations to the experts and create extra income without extra work

What you need to learn in order to negotiate Short Sales Successfully

- How to get your short sales assigned to a mitigator immediately
- What a bank mitigator looks for in a short sale package and why they will put it on the bottom of the pile if they don't like what they see
- How to negotiate with lenders depending on what type of loan your seller has

What you need to learn in order to negotiate Short Sales Successfully

- How to negotiate Fannie Mae, Freddie Mac, FHA, VA, USDA, and Conventional mortgages with PMI (Private Mortgage Insurance)
- How to get junior lenders/lien holders and IRS liens released from properties
- How to get the deal done when a lender wants your seller to sign a promissory note or deficiency judgment

What you need to learn in order to negotiate Short Sales Successfully

- How to get the bank to approve every file by getting the BPO value on the property where they need to see it.
- How to present the short sale package to the bank so they not only review it fast but approve it
- How to structure the deal when the lender says that all junior lien holders can only get \$1,000-\$2,500
- If you don't know this information, 90% of your deals will be declined and you will waste your time

What If We Could...

- GUARANTEE & DOUBLE your commissions on short sale transactions (upon closing)
- Give you back the time you would spend working on short sales
- Solve your clients' current foreclosure issues which could enable you to work with them in the future
- Provide a Safety Net so your short sale doesn't hit any landmines during the process
- Eliminate the costly and time consuming learning curve of negotiating short sales like the pros

How We Work Together

- It's as simple as $A > B$, $B > C$
- A is the homeowner in distress that is behind on payments with no equity
- B is Bormio Properties LLC
- C is the ultimate end buyer
- With a standard short sale listing you are looking for the end buyer (C). That does not change. The difference is that we are inserted in the middle and start the negotiations with the lenders immediately.

How We Work Together

- You, the listing agent, presents paperwork to seller in distress and take the listing.
- Offer is submitted immediately on those properties that meet our criteria.
- We build the case negotiation.
- We submit the offer(s) to lenders(s).
- You continue to market the property and secure a buyer while we are negotiating
- We pay off lender(s) and close with your buyer.
- You earn 6% commission (3% on A>B & 3% on B>C)
 - Should you also find the end buyer, you would earn 9% commission

Why Partner With Us

- The single biggest mistake we have seen is realtors taking on the short sale completely this drops their cash flow instantly because of the wasted time with the banks. This opportunity solves that problem. Work with us and get your full commission without the loss of money.
- You earn DOUBLE the commission while we do ALL of the mitigation work.
- You wasting your time negotiating with banks- this is not the best use of your time.
- You get an immediate offer on the property allowing us to get the short sale process NOW
- You can avoid all of the Short Sale Process Pitfalls because we know all of them

Why Partner With Us

- You can skip the long learning curve
- Negotiating short sales is our only business and our team has closed over 270 short sales in the past 6 years
- We are a local company
- You can get multiple commissions on one property...up to 9%
- You keep the listing with a guaranteed commission when property closes
- New Buyer spin-off business
- We give you motivated seller leads that we pay for

Commission Structure

- 6% Listing Agreement with Seller (paid by lender)
 - 3% Paid to You for your listing on A>B
 - 3% Paid to You for your listing on B>C
 - 3% Paid to You if find the ultimate end-buyer (C)
***up to 9% possible commission on each deal

Credit Restoration provided for seller which will allow them to purchase a future home. Potential sale opportunity for you.

How Do We Get Paid

- We NEVER take 1 dime of the Realtor's Commission
- We NEVER take 1 dime from the homeowner
- We purchase the property for the negotiated debt from all lien holders and then sell the property for a higher price (yet below current market value for a quick sale)
- We earn our money on the resale of the house

Questions & Discussion

Thank You For Your Time!