

Short Sales: What you need to know

Step 1: Read and use the *Short Sale Addendum*. This will give you the basic definitions and cautions you will need to know about. Use this addendum on any sale that involves a 3rd party lender's approval. If you make an offer and the listing agent counters with a contingency on a lender's approval, include the *Short Sale Addendum* as a condition of your counter. Click link below for copy of addendum:

<http://www.realtyassociation.com/files/shortsaleaddendum.pdf>

Step 2: Educate yourself on Short Sales. Here are a couple of useful links from our website:

- [Short Sales: NAR Field Guide](#)
- [Short Sales: How to Work a Short Sale \(NAR Workflow\)](#)

Here are some articles you should read:

[Short sales: Coming up short](#)
[Are You Sidestepping Short Sales?](#)
[Short Sales: Disclosing Distress](#)
[How to Succeed at Short Sales](#)
[Short Sales Resource Guide](#)

Step 3: Understand the new MLS rules regarding Short Sales and how it may affect your commission:

“The disclosure of a potential Short Sale is crucial to cooperating brokers and in the spirit of MLS. Because **the lender may reduce the gross commission** specified in the listing agreement, **the compensation offered to cooperating brokers may be affected**. Listing brokers are obligated to disclose this information as soon as possible.

Participants must disclose potential Short Sales, when reasonably known to the listing participants, by changing the listing type to “**Exclusive Right to Sell Short Sale**” or “**Exclusive Agency Short Sale**.” New options have been added to the listing type field, ER-SS & EA-SS respectively. Listings must be flagged within 48 hours of discovering the potential of a Short Sale.” **See Rule 7.2 (h)**.

Step 4: Call your Broker if you have any questions.