



Buyer Short Sale Checklist: Additional Information for Prospective Buyers Concerning Purchase of Property Subject to Short Sale



During the Initial Contact with Prospective Buyer

Note: This form should be used to acquire from and provide additional information to a prospective buyer client that is related to market conditions.

Sample Questions for Prospective Buyer?

1. Do you intend to use the property purchased as your primary residence or are you seeking investment opportunities?
2. Do you have a time frame within which you need to purchase or within which you need to move?
3. Have you spoken with a lender (if you will need a loan for the purchase)?
 - a. With what lender have you spoken?
 - b. Are you prequalified for a loan?
 - c. Do you have a written loan commitment?
 - d. If so, what type of loan?
 - e. Will you need to sell your home or other property to buy a new one?
4. Would you consider purchasing a property that is subject to a short sale (explain this type of situation) or a property that has been sold at foreclosure?
 - a. If so, do you understand that there will likely be delays in the purchase process?
 - b. You will need your financing in place so that you can be ready to close quickly once the sale is approved.
 - c. You will need to understand that these properties will probably be sold “as is.” (In other words, neither distressed sellers nor bank owners are likely to agree to make any repairs to the property).
5. Discuss how your company gets paid, whether the Buyer is willing to sign a buyer representation agreement, whether it is exclusive and whether Buyer will pay your company any compensation; particularly if compensation is reduced as part of the short sale process.
6. Be sure to recommend that Buyer have a home inspection by a licensed home inspector before consummating any purchase transaction.
7. Do you have an attorney with whom you work?
 - a. If yes, what is the name of the attorney?
 - b. If not, do you need assistance in finding an attorney to help you? (Now is the time to explain the importance of having an attorney to help you if you are considering purchasing short sale/foreclosed properties)
 - c. There may be special language that your attorney might advise you to include in any purchase offer regarding earnest money, possible time limits or language to include if buyer’s contract is a “back-up” contract.

Designated Agent reviewed these items with prospective Buyer on this _____ day of _____, 20____.

Signed _____
Designated Agent

This information was prepared by legal counsel for Illinois REALTORS®. Check with your broker’s office policies and procedures with regard to short sale transactions; direct your clients to their attorney for specific contract language and advice they will need; and, you and your sponsoring broker should obtain legal advice when necessary.