

The following addendum I review with the seller so they have a better understanding of the process. The form is self explanatory.

What to Expect in a Short Pay Situation

1. This is a very complex transaction compared to the traditional real estate transaction. Please do not use a previous experience in buying or selling real estate as a reference point for this transaction; the two have nothing in common.
2. How a transaction starts is how a transaction ends. That is, if the necessary documentation is slow to come in, the process will be slow to begin. Every lender requires the same documentation and the reality is that your transaction will not even be reviewed or begin until the necessary documentation is delivered.
3. We can give no answers until the following has been received by us, reviewed, packaged, and sent to the lender:
 - A. Two Years' tax returns
 - B. A letter from the seller requesting a short pay-off
 - C. A letter from the seller (in their own wording) why a discount is necessary
 - D. Signed authorization giving permission to discuss issues with the lender
4. Timeframes and what to expect:

Week 1- Initial marketing and packaging. There's more to it than what one might think. We will be accumulating approximately 100 to 120 pages of documentation to send to the lender, and this process is very complicated. There is 90 % preparation only 10 % negotiation. If we do a great job packaging the home and seller, this will expedite the entire process.

Week 2 - For the lender to receive our package, lose it once and for us to send a second package.

Week 3 - For the lender to acquire their necessary documentation to make a decision, i.e., appraisal, preliminary title, escrow net sheets, etc., this process can take the lender as long as 3 weeks, but we have had a response within 3 days, as well. This process is out of our control. A lot of it depends on the lenders work load at the time of our request.

Week 5 - Let the games begin. Now that the lender has all the necessary documentation, they will throw their first real gambit at us. Of course it will have some ridiculous requests, however, do not panic. There will be a minimum of 3 to 4 gambits until we have a final answer. This process tends to wear out most sellers, so please sit back and let us do our job.

5. Within the first week we have an investor who will write an offer on your property. This is necessary because the bank will not open negotiations unless we have an offer. He only intends to purchase the property if he can get it at an extremely low price, and to this date, has only been able to purchase one of our properties of the over 50 offers to purchase, written on our listings. However, he has helped us negotiate several. Please be advised that we have no personal or business relationship with this investor.
6. The more times you call us, the less time we have to talk to the lenders, and will result in delaying services to you, as well as our other clients. We will be in contact by mail quite often, however, lenders are very difficult to contact, so most of our time will be spent on the phone to them or in the field with buyers, to secure offers to fulfill our commitment to you.
7. Do not talk to the lender during this process. They are trained and skilled in negotiations and many times like to use a technique called "good cop, bad cop." They will cause chaos in our camp and only confuse issues

that will be to their benefit. We may involve you if necessary, however, only if necessary, and only after we have spoken.

8. The clock is ticking. With a property where the foreclosure process has begun, every day is valuable. We cannot afford to deny access or miss valuable exposure time. We must have a lock box and continued access all the way through the transaction. If the buyers have a problem obtaining their loan, we need to have a back-up. Some real estate agents are flat-out rude, so allow me to apologize for them now. However, we cannot afford to get emotional right now, and I'm requesting your patience throughout.

Thank you in advance for your cooperation and patience. We are looking forward to working with you.

Signed Acknowledgment

X_____	X_____		
Seller	Date	Seller	Date