

REAL ESTATE - SHORT SALE PACKAGE

Freedom Home Finders, LLC - 221 North Hogan St. suite #318 Jacksonville, FL 32202

www.freedomhomefinders.com - info@freedomhomefinders.com - Fax: (888) 865-4093 – Office 904.408.1344

Hello,

I just want to say how much I am honored that you have chosen us to help you with your property. We value you as a customer and we empathize with your situation. We will make every effort possible to ensure a positive outcome for you. Below is a brief overview of the short sale process. Please gather the required documents and submit as soon as possible.

**Remember*

- Time is of the essence in this situation
- The sooner we submit the documents to the lender the faster we can begin negotiations and help bring this situation to a close.

Thanks again

Management, Freedom Home Finders

info@freedomhomefinders.com

www.freedomhomefinders.com

STEPS	SHORT SALE PROCESS
1.	Sign and complete all forms in this short sale package and fax or email ASAP.
2.	Gather required documents:
3.	As soon as we receive your documents we will contact your debt holder(s) and begin negotiation. We will keep you updated as this progress changes.
4.	Timeline. The short sale process can vary case by case due to individual lender policy. Typical timeline: 60 – 90 Days: Mortgage Default filed from lender 90 – 120 Days: (<i>LIS PENDENS = NOTICE OF PENDING ACTION</i>) filed Owner served with foreclosure documents 120-180 Days: Opportunity to contact lender and cure default situation. Negotiate short sale, etc. 200+ Days: Property sold at public auction by lender, occupant of property is evicted. <i>*Freedom Home Finders goal is to cure the default as quickly as possible.</i>

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AUTHORIZATION TO RELEASE INFORMATION & NEGOTIATE SHORT SALE	
1 ST Mortgage – Lender Name:	2 nd Mortgage – Lender Name:
1 ST Mortgage – Account Number:	2 nd Mortgage – Account Number:
1 ST Mortgage – Number of Payments Past due (approx):	2 nd Mortgage – Number of Payments Past due (approx):
1 ST Mortgage – Monthly Payment:	2 nd Mortgage – Monthly Payment:
1 ST Mortgage – Interest rate:	2 nd Mortgage – Interest Rate:
1 ST Mortgage – Phone Number:	2 nd Mortgage – Phone Number:
1 ST Mortgage – Fax Number:	2 nd Mortgage – Fax Number:
<p>Authorization to release information: <i>I (We) hereby authorize you to release information regarding the above referenced loan or property to Freedom Home Finders, LLC/(Authorized Party) and/or agents, assigns, and associates. This authorization or copy of it may be sent via facsimile transmission and be fully valid and binding. This authorization is a continuing authorization for said persons or company to receive information about my (our) loan or property including duplicates of any notices sent to me (us) regarding my (our) loan or property. In addition I (we) hereby authorize you to discuss any aspect of our loan with Authorized Party.</i></p>	
<p>Authorization to negotiate short sale: <i>I (We) hereby authorize Freedom Home Finders, LLC/(Authorized Party) and/or agents, assigns, and associates to negotiate a "SHORT SALE" on my (our) behalf. I understand that the objective of a "SHORT SALE" is to discount the existing loan(s) payoff balance so that the property can be sold at current market value on an "AS IS", "WHERE IS" basis.</i></p>	
Borrower	Co-Borrower
Print Name	Print Name
Date of Birth:	Date of Birth:
Social Security #:	Social Security #:
Borrower – Signature	Co-Borrower – Signature
DATE	DATE

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REQUIRED DOCUMENTS FOR BORROWER AND CO-BORROWER

If you are a Wage Earner (you receive a W-2 from your employer) please use the following checklist and submit:

- Two (2) Most Recent Pay Stubs
- Length of service with Current Employer Year(s): _____ Month(s): _____
- Most Recent one (1) month of Complete Bank Statement
- Most recent statement(s) supporting assets
- Most Recent Tax Return
- Completed 4506-T – Request for Transcript of Tax Return
- Proof of Income for other household members living in the home (Alimony, Child Support, Pension, etc.) if you want such income considered for a loan workout
- Proof of occupancy – a recent utility bill in your name at property address
- If loan taxes are Non-Escrowed
 - A) Proof of payment of most recent taxes
 - B) Proof of payment of Homeowner's Insurance
 - C) Proof of payment of Homeowner's Association Fees
- Non-Owner Occupied (ONLY)
 - A) Rental Income w/copies of Rental Agreement
 - B) PITI & MTG Holder(s) for Prime Residence
 - C) Primary Residence Address (input below)
- Identification. Please send a copy of driver license and social security card.

If you are Self Employed, please use the following checklist and submit:

- :
- P & L Statement / Audited or reviewed YTD Income Statement
 - Most Recent two (2) years of Tax Returns or 1099s
 - Completed 4506-T – Request for Transcript of Tax Return
 - Last four (4) months of complete Business and Personal Bank Statements
 - Most recent statement(s) supporting assets listed on page 2 of the Borrower's Assistance Form
 - Length of time of Business Ownership
 - Year(s): ____ Month(s): ____
 - Proof of Income for other household members living in the home (Alimony, Child Support, Pension, etc.) if you want such income considered for a loan workout
 - Proof of occupancy – a recent utility bill in your name at property address If loan is Non-Escrowed
 - A) Proof of payment of most recent taxes
 - B) Proof of payment of Homeowner's Insurance
 - C) Proof of payment of Homeowner's Association Fees
 - Non-Owner Occupied (ONLY)
 - A) Rental Income w/copies of Rental Agreement
 - B) PITI & MTG Holder(s) for Prime Residence
 - C) Primary Residence Address (input below)
 - Identification. Please send a copy of driver license and social security card.

Comments:

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EXPLANATION OF HARDSHIP

What changes or events have occurred since your loan originated that have caused you to fall behind?

How did this impair your ability to afford your mortgage payments?

When did the change(s) and/or event(s) occur?

Do you anticipate any improvement in your financial situation in the near future? _____ yes _____ no

If yes, please explain:

How much are you able to contribute towards your loan as of today? _____

How much are you able to contribute towards your loan in thirty (30) days? _____

Hardship Summary:

- Self Employ
- Combination of problems
- Insufficient income / assets to cure
- Declined value of property
- In Construction / Real Estate
- Emergency Medical

Additional details:

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AFFIDAVIT / RELEASE

*Please Initial all items below.

(A)_____ I(we), (Affiant), am(are) the owner of the property located at:

_____ (enter address).

(B)_____ I am currently in default of my loan(s), I am unable to make up back payments and I am unable to make future payments.

(C)_____ I understand that the Buyer will attempt to negotiate a short sale with all my Lenders who have a lien (claim) on my property and that Buyer has not made me any promises, guarantees or representations about their ability to successfully complete this task.

(D)_____ I understand that my Lender(s), even after agreeing to a short sale, may require that the difference between the original balance and the negotiated balance be paid by me and hold me personally responsible to pay it back.

(E)_____ I understand that the short sale may result in my owing taxes. Since Buyer said he is not giving me any tax advice, I should see an accountant or tax preparer to discuss these taxes.

(F)_____ I understand that my Lender(s) may report this short sale to a credit bureau and this may negatively affect my credit score.

(G)_____ I understand fully and completely that, if Buyer is not able to negotiate discounted payoffs with the Lender(s), they may proceed with foreclosure.

(H)_____ I have not been promised any money if this short sale goes through. Whether or not the property sells, I don't expect any money at all. There are no unresolved issues and no "side agreements." All arrangements will be made in writing.

(I)_____ I have entered into a sales agreement to sell the above property and that agreement states that I understand that it is a short sale transaction and that it won't go through if my Lender(s) doesn't agree to take less than what is owed and that I won't get any money after the property is sold.

(J)_____ The sales agreement also states that I am giving the Buyer the rights to immediately list for sale, market, negotiate and enter into a contract to sell the property immediately to a third party and that all documentation in connection to the sale will be made available at the request of all Lenders and Buyers involved in the transactions.

(K)_____ I understand that Buyer may make a profit from the resale or immediate resale of this property and that his only motivation is to make a profit.

(L)_____ I understand that the Buyer is not acting on my behalf as an attorney, accountant, counselor, advisor, consultant or non-profit agency.

(M)_____ I have the ability to read and understand this agreement.

(N)_____ I have a full understanding about what I am doing in regards to the short sale of my home.

(O)_____ I ACKNOWLEDGE THAT, IF BUYER IS UNABLE TO CLOSE ON THE SALE OF THE PROPERTY IN A TIMELY FASHION, THE PROPERTY MAY GO INTO FORECLOSURE AND I MAY LOSE MY PROPERTY.

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(P)_____ I understand that the Buyer, Freedom Home Finders LLC, and their agents are not acting on my behalf as lawyers or accountants, nor are they rendering legal or accounting advice. Buyer encouraged me to seek out an attorney and accountant for independent advice regarding this short sale.

(Q)_____ I agree to hold the Buyer and his agents, including, but not limited to Freedom Home Finders LLC, e.t.c... harmless and fully indemnifies them (including but not limited to attorney’s fees, whether or not litigation ensues, costs and all other litigation expenses).

(R)_____ I HAVE COMPLETELY READ THIS AGREEMENT BEFORE SIGNING IT AND I AGREE TO THE TERMS AND CONDITIONS CONTAINED HEREIN.

OWNER SIGN

CO-OWNER SIGN

WITNESS

WITNESS

State of:

County of:

Before me personally appeared _____ to me well known and known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to and before me that they executed said instrument for the purposes expressed.

WITNESS my hand and official seal in the State and County aforesaid, on _____.

_____(SEAL)

Notary Public

My Commission Expires: _____

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LIMITED POWER OF ATTORNEY FOR REAL ESTATE

I, _____ (Grantor – Property Owner), of

(Property Address), hereby

appoint *Freedom Home Finders, LLC of 221 N. Hogan Street #318, Jacksonville, FL 32202*, as my attorney in fact to act in my capacity to do any and all of the following:

- (1) The sale of the lands and premises identified as above, doing any and all actions that I/we might do if personally present including, but not limited to the execution, modification and delivery of contracts, deeds, tax returns, tax reports, affidavits, bill of sale, closing statements, notices, certificates and all other documents; the acceptance of the closing funds and the deposit of those funds in my/our account identified to the agent, which [my/our] Agent shall deem necessary, appropriate or expedient for the purpose of closing the sale of the real estate described in this power of attorney.

The rights, powers, and authority of my attorney in fact to exercise any and all of the rights and powers herein granted shall commence and be in full force and effect on _____, 20__, and shall remain in full force and effect for 120 days or unless specifically extended or rescinded earlier by either party.

Dated _____, 20__.

Grantor

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this __ day of _____, 20__, personally appeared _____ to me well known to be the person described in and who signed the Foregoing, and acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal the date aforesaid.

NOTARY PUBLIC

My Commission Expires: _____

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REAL ESTATE OPTION PURCHASE CONTRACT FOR SHORT SALE

County, City, State: _____

The parties,

BUYER: Freedom Home Finders, LLC and/or assigns

and,

SELLER: _____ SELLER: _____

Address: _____

Hereby enter into this Option Contract for Sale and Purchase of real estate.

1. PURCHASE PRICE.

If this property is encumbered by a mortgage or other lien(s), the Buyer will negotiate a short sale with the lien holder(s) and will purchase the property for the approved discounted price.

2. PROVISIONS.

- The Option Period may be extended for an additional period of time for the purpose of obtaining said approval(s) with the consent of both parties.
- Seller understands that BUYER is acting as a principle in the transaction and is not working as a licensed real estate broker representing anyone in the transaction.
- Upon BUYER's decision to exercise this option, both parties agree to move forward with the necessary standard purchase and sales agreement.
- Seller agrees to allow BUYER to advertise and market the property for sale in efforts to locate an "end-buyer".
- SELLER understands that this transaction is a short sale and is contingent upon the approval of the lien holders.
- All parties will receive copies of all contracts and agreements involved in this transaction.
- All parties agree that the property is being sold in "as is" condition unless noted otherwise.

3. SIGNATURES

BUYER PRINT	BUYER SIGN	DATE	SSN/EIN
BUYER PRINT	BUYER SIGN	DATE	SSN/EIN
SELLER PRINT	BUYER SIGN	DATE	SSN/EIN
SELLER PRINT	BUYER SIGN	DATE	SSN/EIN

4. ADDENDUM

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Mortgage Forgiveness Debt Relief Act

What is the Mortgage Forgiveness Debt Relief Act of 2007?

The Mortgage Forgiveness Debt Relief Act of 2007 was enacted on December 20, 2007 (see [News Release IR-2008-17](#)). Generally, the Act allows exclusion of income realized as a result of modification of the terms of the mortgage, or foreclosure on your principal residence.

What does that mean?

Usually, debt that is forgiven or cancelled by a lender must be included as income on your tax return and is taxable. The Mortgage Forgiveness Debt Relief Act of 2007 allows you to exclude certain cancelled debt on your principal residence from income.

Does the Mortgage Forgiveness Debt Relief Act of 2007 apply to all forgiven or cancelled debts?

No, the Act applies only to forgiven or cancelled debt used to buy, build or substantially improve your principal residence, or to refinance debt incurred for those purposes.

What about refinanced homes?

Debt used to refinance your home qualifies for this exclusion, but only up to the extent that the principal balance of the old mortgage, immediately before the refinancing, would have qualified.

Does this provision apply for the 2007 tax year only?

It applies to qualified debt forgiven in 2007-2012.

If the forgiven debt is excluded from income, do I have to report it on my tax return?

Yes. The amount of debt forgiven must be reported on Form 982 and the Form 982 must be attached to your tax return.

Do I have to complete the entire Form 982?

Form 982, [Reduction of Tax Attributes Due to Discharge of Indebtedness \(and Section 1082 Adjustment\)](#), is used for other purposes in addition to reporting the exclusion of forgiveness of qualified principal residence indebtedness. If you are using the form only to report the exclusion of forgiveness of qualified principal residence indebtedness as the result of foreclosure on your principal residence, you only need to complete lines 1e and 2. If you kept ownership of your home and modification of the terms of your mortgage resulted in the forgiveness of qualified principal residence indebtedness, complete lines 1e, 2, and 10b. Attach the Form 982 to your tax return.

Where can I get this form?

You can download the form at IRS.gov, or call 1-800-829-3676. If you call to order, please allow 7-10 days for delivery.

How do I know or find out how much was forgiven?

Your lender should send a Form 1099-C, Cancellation of Debt, by January 31, 2008. The amount of debt forgiven or cancelled will be shown in box 2. If this debt is all qualified principal residence indebtedness, the amount shown in box 2 will generally be the amount that you enter on lines 2 and 10b, if applicable, on Form 982.

Can I exclude debt forgiven on my second home, credit card or car loans?

Not under this provision. Only cancelled debt used to buy, build or improve your principal residence or refinance debt incurred for those purposes qualifies for this exclusion.

If part of the forgiven debt doesn't qualify for exclusion from income under this provision, is it possible that it may qualify for exclusion under a different provision?

Yes. The forgiven debt may qualify under the "insolvency" exclusion. Normally, a taxpayer is not required to include forgiven debts in income to the extent that the taxpayer is insolvent. A taxpayer is insolvent when his or her total liabilities exceed his or her total assets. The forgiven debt may also qualify for exclusion if the debt was discharged in a Title 11 bankruptcy proceeding or if the debt is

qualified farm indebtedness or qualified real property business indebtedness. If you believe you qualify for any of these exceptions, see the instructions for Form 982.

Is there a limit on the amount of forgiven qualified principal residence indebtedness that can be excluded from income?

There is no dollar limit if the principal balance of the loan was less than \$2 million (\$1 million if married filing separately for the tax year) at the time the loan was forgiven. If the balance was greater, see the instructions to Form 982, page 4.

Is there anything else I need to know before filing?

Yes. Because the Mortgage Forgiveness Debt Relief Act of 2007 was passed so late in the year, the software systems used by tax preparers and at the Internal Revenue Service need to be updated to accept the revised Form 982. The IRS expects to be able to process the new Form 982 electronically on March 3, 2008.

The information provided above comes from the U.S. Department of Treasury, Internal Revenue Service web site <http://www.irs.gov/individuals/article/0,,id=179414,00.html>. If you have questions regarding the Mortgage Forgiveness Debt Relief Act and how it applies to you, please contact the Internal Revenue Service or a tax attorney or tax consultant.

Borrower Initial	Co-Borrower Initial

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