

Uniform Short-Sales Guidelines in the Works

Extensive delays in the short-sale process has caused many buyers to go elsewhere and have left would-be sellers with no option but foreclosure. But the picture is improving.

This week the U.S. Treasury announced that it would be providing incentives for borrowers and mortgage services to pursue short sales and other foreclosure alternatives. The program includes a standard short-sales process flow, minimum performance timeframes, and standard documentation, the U.S. Treasury says.

(More information is available [on the Treasury Web site](#) and in this [PDF document](#) posted at REALTOR.org.)

The incentives and process guidelines are part of a larger initiative called Making Home Affordable, which helps home owners refinance to avoid losing their home.

“NAR is pleased that the government is stepping in to help prevent foreclosures by streamlining the short-sale and deeds-in-lieu process,” NATIONAL ASSOCIATION OF REALTORS® President Charles McMillan [said in a statement](#). “NAR has been calling for uniform short sales procedures and other initiatives that will help today’s home owners in challenging economy.”

More Collaboration Needed

A panel of experts at the 2009 REALTORS® Midyear Legislative Meetings this week agreed with NAR's position that more needs to be done to streamline short sales.

“It’s hard to find the right person to talk to, you send in multiple forms multiple times, you’re not sure if the forms were received or processed correctly,” said Marcel Bryar, deputy general counsel and vice president at Fannie Mae.

To reach a set of standards that suits everyone, the government should collaborate with lenders, the real estate industry, and advocacy groups, he said.

“The process is going to take a while,” said David Knight, head of the short sales division at Wells Fargo. “Getting them all to understand what we can all live and deal with is not going to be easy, but that is exactly what’s going to have to happen.”

Panel participants applauded the Obama administration’s efforts to streamline the short sales process, and encouraged the real estate industry to get more involved in formulating this standard.

“It’s going to take some thorough intervention,” said Boyd Campbell, a Washington, D.C.-area REALTOR®. “That’s why I think it’s so important for RPAC to get involved and make sure NAR has the resources to go in and help resolve this problem. This doesn’t just impact us as practitioners. It also impacts all of our homes and communities.”

—*Brian Summerfield, REALTOR® Magazine*