

New Guidelines For Short Sales Response Time – April 18, 2012

The National Association of Realtors® applauds the Federal Housing Finance Agency for issuing new guidance requiring servicers of Fannie Mae and Freddie Mac loans to speed responses to short sale requests.

The guidelines would require servicers to acknowledge receipt of short sale purchase offers within three business days; respond to short sale requests within 30 days (with a possible 30-day extension); and make a final decision within 60 days of receiving purchase offers.

“As the leading advocate for housing and homeownership, NAR knows that delays in approving short sale requests remain a significant challenge for Realtors® and consumers and often results in canceled contracts and the property going into foreclosure,” said NAR President Moe Veissi, broker-owner of Veissi & Associates Inc., in Miami. “Realtors® greatly appreciate FHFA’s efforts in establishing a timeframe for responding to sellers and potential buyer offers to help streamline the short sales process.”

NAR has long urged the lending industry to improve the process for approving short sales. When a family is absolutely unable to stay in their home, a short sale minimizes the negative impact on sellers and communities, and NAR believes that streamlining the approval process will reduce the amount of time it takes to sell the property, improve the likelihood that the transaction will close and reduce the number of foreclosures. Short sales also help stabilize home values and neighborhoods by keeping homes occupied, which benefits the housing market and aids in the recovery.

Veissi praised FHFA Acting Director Edward DeMarco for responding to the concerns of consumers and Realtors® regarding the ongoing delays in the approval process and the negative impact that slow response times are having on buyers, sellers, lenders and the housing market.

NAR also thanked Sens. Lisa Murkowski (R-Alaska), Scott Brown (R-Mass.) and Sherrod Brown (D-Ohio) for introducing S. 2120, and Reps. Tom Rooney (R-Fla.) and Rob Andrews (D-N.J.) for introducing H.R. 1498, proposed legislation to reduce delays in approving short sale transactions.

“Their leadership on this issue helped raise the attention needed to make the short sales process more efficient. While these new guidelines will hopefully help close short sale transactions at higher rates, we believe legislation is still needed to impose mandatory deadlines on all loan servicers,” said Veissi.

Implementation of the new guidelines should begin after June 15, 2012. For more information, visit www.realtor.org/topics/short-sales.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing 1 million members involved in all aspects of the residential and commercial real estate industries.

