

Depending upon your current financial situation, it may be possible for Aurora Loan Services LLC (Aurora Loan Services) to offer you a short sale transaction. A short sale occurs when a property is sold for an amount less than the full payoff amount of the loan. Unfortunately, this transaction will not allow you to continue ownership or occupancy of the property. The “short” payoff amount of your loan is accepted as payment of your loan in full.

Documentation to be Submitted to Aurora Loan Services for Short Sale Consideration:

If you would like to be considered for a short sale transaction, you will need to submit the following written documentation and/or information to Aurora Loan Services:

Please note that your file cannot be reviewed until all of the requested documentation has been received by Aurora Loan Services.

Aurora Loan Services needs the following documentation and/or information from you (or your real estate agent/broker):

- A complete and accurate Financial Information Form (or detailed letter signed and dated).
- A letter with a detailed explanation of your financial hardship.
- Two most recent paycheck stubs for each mortgagor (if self-employed, provide the year to date Profit and Loss Statement).
- Bank Statements. Please include the two (2) most recent bank statements for your checking, savings, mutual funds, 401k account, and other investment information.
- Statements of Disability/Unemployment, Retirement and/or Social Security benefits applied for or received. Please include copies of any and all check stubs.

Additional documentation, to be provided by your broker/real estate agent and to be submitted with the documentation listed above:

- HUD or Net Sheet if an offer has been received.
- Offer, Purchase Agreement or Sales Contract.

The following requirements must be met in order for Aurora Loan Services to approve a short sale transaction:

- Proven inability to pay your mortgage based on your current financial situation.
- Provide to Aurora Loan Services a complete and accurate Financial Information Form.
- You must cooperate and allow us to view the interior of your property to enable us to determine an appraised value. A second interior value maybe required if there is 30% or more decline in value from the origination value.
- Your property must be listed with a licensed real estate agent/broker at a price based on “fair market value.” The sale transaction must be “arm’s length,” which means that all parties involved in the sale must be unrelated and unaffiliated.
- If there is a deficiency, we may require that you make a contribution toward any such deficiency from the sale of the property. This contribution may be in cash and/or a promissory note, depending on Aurora Loan Services’ review of the potential sale of the property and your financial situation.
- You may not enter into an agreement with a third party to surrender the title to the property and arrange a short payoff in exchange for a fee.
- You cannot receive any proceeds from the sale of the property or any hazard/flood insurance claim. In addition,

you must waive reimbursement of any escrow; buy down funds, or pre-paid items.

If we approve a short payoff of your loan and you remit to us the agreed upon short payoff amount we will:

- File a 1099-C Form with the IRS and send you a copy. This may be a taxable event. You should consult with the IRS or a tax professional concerning any tax impact this may have to you, if any.
- Consider the debt to be satisfied in full.
- Release your mortgage on the public records.
- Report the transaction to the credit bureaus as “PAID IN FULL FOR LESS THAN THE FULL BALANCE.” This may be considered a derogatory remark by future potential or actual creditors. Credit is not subject for negotiation. Aurora Loan Services will not report the loan “PAID IN FULL” unless we receive a payoff of the full amount due under the loan. We will continue, without change, our reporting activity to the credit reporting agencies with respect to your loan, until completion of the short payoff transaction and we have received and posted good funds representing the agreed upon short payoff amount.

Please submit all requested information/documentation to Aurora Loan Services:

Aurora Loan Services
P.O. Box 1706
Scottsbluff, NE 69363-1706
Attention: Home Retention Group

Fax Number: 1-866-517-7976

We will review your financial information upon receipt and advise you of our decision. We will not be able to process your request without all of the documentation requested above, as well as complete and accurate financial information

Aurora Loan Services will continue to pursue all available collection and foreclosure processes/activities until such time as Aurora Loan Services has approved your request for a short sale transaction. This letter does not suspend or postpone your obligation to make your monthly payments.

We look forward to working with you. Should you have any questions, please call our Home Retention Group at 1-866-521-3828.

In addition to contacting our office, you may call the HUD Nationwide toll free telephone number at 1-800-569-4287 to obtain a list of the HUD Approved Housing Counseling Agencies.

Home Retention Group
Aurora Loan Services

Aurora Loan Services is a debt collector. Aurora Loan Services is attempting to collect a debt and any information obtained will be used for that purpose. However, if you are in bankruptcy or received a bankruptcy discharge of this debt, this communication is not an attempt to collect the debt against you personally, but is notice of a possible enforcement of the lien against the collateral property.

