Your initial conversation with the loss mitigation representative will go something like this:

YOU: Hi, bank rep, my name is Dwan and I am working with **Bob & Sally Brown** to help them with their situation. Can I have your fax number so I can send you my authorization to release?

BANK: Sure, my fax is 555-456-7890

YOU: Hold on, I’ll send it right now. *(Fax it while you have the rep on the phone.)*

BANK: Ok, I’ve received it, how can I help you?

YOU: As you know, **Bob & Sally** are in foreclosure. I told them I would do my best to help them if I could. Upon researching the property it looks as if they owe more than it’s worth. **Bob** thinks their mortgage balance is $100,000. Is that correct? Great! When is the property set for the sheriff’s sale?

My real estate agent says the property is only worth about $40,000 to $50,000 because it needs so much work. Based on the fact that **Bob and Sally** owe far more than their property is worth, I’m willing to purchase the property, but only if you can take a short sale. **Where do we need to be “price wise” to get this deal closed?**

BANK: Fax a **sales contract** and a **net sheet** and we’ll see what we can do.

YOU: Great, Mary. I will have that faxed to you as soon as possible. **I’d like you to know that I am prepared to close quickly and will not make you work hard on this deal only to bail out at the end.** I can close as soon as you can get me a yes.

YOU: I’d like to ask you a few questions if I may. Do you make the decisions or does your boss?

BANK: My boss does.

YOU: Great. How often do you meet with your boss?

BANK: I meet with my boss twice a month.

YOU: Great, when was the last time you met with your boss?

BANK: We met last week.

YOU: So … If I get you everything you need today, will you be able to present my offer to you boss next week?

BANK: Yes, if you get the information I need I’ll present your offer next week.

YOU: Okay, great. I’ll get you as much information as I can by the end of the day. Then I’ll call you to see if my offer is in a range that your bank can accept. What percentage does your bank usually discount?

BANK: It’s different with every deal. Get your offer to me and we’ll discuss it then.

YOU: One last thing, **I just want to remind you that I can close quickly.** I am sending you a cover letter, a sales contract, a hardship letter from the homeowners, a list of repairs, a net sheet, and pictures. **Is there anything else your bank requires?**

BANK: Wow, it sounds like you have a great package ready. That will be plenty of information to get started. Get your package to me and I’ll do my best.

YOU: Great, I’ll stay in touch.

See how I used the homeowner’s names often? I also reassured the rep that I could close quickly. I also told the rep what I was sending and asked if there were any other items the bank requires. This shows your professionalism and experience.

Once your package is submitted, follow-up until you get a yes.

**SECONDS, THIRDS, ETC.**

Your call with the second will go something like this…

YOU: Hi, bank rep, my name is John and I am working with Bob & Betty Brown to help them with their situation. Can I have your fax number so I can send you my authorization to release information?

SECOND: Sure, my fax is 555-456-7890

YOU: Hold on, I’ll send it right now. *(Fax it while you have*

 *the rep on the phone.) (In today’s market this may take a few days)*

SECOND: Ok, I’ve received it, how can I help you?

YOU: As you know Bob & Betty are facing foreclosure and have been trying to sell their home for quite some time. They can no longer afford the home and the repairs are too extreme for them to fix. They told me that they owe your company $25,000. Are you the person who makes the decision about a short sale?

SECOND: Yes, I am the person and we will entertain a short sale; fax me your offer.

YOU: Okay, rep, I will have that faxed to you as soon as possible. Can you give me an idea of what you’d be willing to accept?

SECOND: Since they owe $25,000, I believe we would be able to accept $10,000.

YOU: Okay, I believe **we may be able to work with that,** but I’m not certain Let me talk to my financial partners. Could you fax that acceptance to me today so I can crunch my numbers **to see if that figure works** for us?

SECOND: I’ll get it to you right away.

**Are we going to accept the second’s first offer? No! Let them fax you an acceptance letter for the $10,000. You can then call back and state that upon further review you don’t believe you can make the numbers work at $10,000.**

** You are now negotiating down from $10,000 opposed to negotiating down from the original $25,000.**

**You are now ready to call again and negotiate further. Your next call will go like this:**

YOU: Hi, this is John. I have gone over the numbers several times. I really appreciate you coming down to $10,000, however, **that number isn’t going to work for me.** Upon further review, the property just needs too much work.

SECOND: We think our acceptance of $10,000 is more than fair.

YOU: **I totally understand how you feel.** Let’s review the facts … the sale is in 30 days. Because Bob and Betty owe what their property is worth, and your second mortgage will be wiped out at the sale. I know that the way a second works is that you have to purchase the first in order to be the winning bidder at the sale. You are a bank and in the business of making money. **It does not make financial sense** to spend $200,000 just to save your $25,000 mortgage. Isn’t it better to receive something instead of nothing?

### SECOND: We realize that we will be wiped out. What are you offering?

YOU: After really crunching the numbers, **the most I can offer is $1,000.** I have to negotiate with the first, arrange a closing, and the property needs to be rehabbed. With all that, $1,000 is the best I can do.

SECOND: I don’t think I can get that approved. I’ll run it by my boss and let you know.

### YOU: Great, make sure to present the complete package … hardship letter, comps, pictures, cover letter from you, proof of hardship, etc…. to your boss. I’m sure he/she will agree once he/she see’s what a burden this property would be to your company. I can close as soon as the first gets me an approval letter. I am also sending several letters of recommendation from other banks I have worked with in the past. I want your boss to realize that I am serious and will close on time and get this nightmare off your books.

### SECOND: Okay, send it over. I’ll let you know in a few hours.

### Wait a few hours and proceed…

### YOU: This is John. How did we do?

SECOND: I got it accepted. I will send you an acceptance letter today. We’ll coordinate our closing with the first mortgage. When will you have that date?

YOU: I am thrilled you have agreed to the short sale. The first wants to close in 30 days. If you can give me until that time, we’re good. It has been such a pleasure working with you. You’re such a professional. I’ll be certain to **send you a letter of recommendation** for your file.

### SECOND: It’s been great working with you as well. I look forward to working with you again in the future.

**INVESTOR SCRIPT TO THE HOMEOWNER:**

Hi Mr./Ms.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, my name is \_\_\_\_\_\_\_\_\_ and I was at the courthouse the other day, and I noticed you have a pending problem with your property and I specialize in helping folks, like you, solve their problems … and I was wondering……

**OR**

Hi Mr./Ms.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, my name is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and I was at the courthouse the other day, and I noticed your lender has publicly posted your home for sale and I specialize in helping folks, like you, solve their problems ... and I was wondering….

1. What can I do to help? ( I took care of it ) Great!
2. What have you done to solve the problem? (I hired an attorney) Good for you!

1. Mr./Ms.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, …at this point…. what does your attorney think he can do? (We’re filing bankruptcy) Interesting!

4. What bankruptcy did you file? (Chapter 13) In your situation, that’s probably what’s best.

5. Did your attorney explain how to…maximize your time through the bankruptcy system? (No, he didn’t) you’re kidding?

Like I said my company specializes in helping folks just like you solve their problems…how did you get into this situation?

What are you looking to do…?

I believe that I will be able to help you with that...here is what we do…

I think we can work together...can we meet tomorrow?...

Then let them talk and start rolling….the point is to get an appointment to talk and put a deal together…