

Common Short Sale Challenges



The dynamics of short sales present challenges to REALTORS® in regards to making status changes or offers of compensation for these properties in the MLS. Below are some typical questions and answers that should help clear the obstacles when placing these listings on the MRMLS Matrix system.

Questions and Answers:

Q. If the seller accepts an offer, but I am waiting for bank approval do I need to change my listing status?

A. Yes, for any offers that are accepted, regardless of contingencies (including bank approval), the listing must be changed from active to a different status such as backup or pending.

Q. Where can I stipulate my listing is a short sale or any other type of distress sale?

A. To input a "short sale" or other distress sale use the "**Sale Type**" field.

Q. How can I protect myself from the cooperating broker insisting on the originally offered commission if commissions are reduced by the lender?

A. The CARETS MLS Rules and Regulations Section 7.15.2 which mirror the C.A.R. Model Rule, allows the listing broker to reduce a commission offered in the MLS to the cooperating broker if the lender reduces the overall gross commission it pays to the listing broker. In order to receive protection of this rule, a listing broker or agent is required to publish (a) in the **Agent Remarks field** the fact the sale and gross commission of the listing are subject to lender approval (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission and (c) disclose the listing is a short sale.

Readers who require specific advice should consult an attorney. C.A.R. members requiring legal assistance may contact C.A.R.'s member legal hotline at 213-739-8282, Monday through Friday, 9:00am to 6:00pm. Broker-owners, office managers, or designated REALTORS® may contact the member legal hotline at 213-739-8350. Or you may email your questions to legal_hotline@car.org or fax to 213-480-7724.