

B. Request for AHFC Approval

Prior written approval from AHFC is required prior to the closing of the transaction if AHFC is being asked to incur a loss as a result of the presale transaction. When a request for presale approval is submitted to AHFC, it should be simultaneously submitted to the insurer or guarantor.

The complete Presale package is to be remitted to AHFC and the Mortgage Insurer or Guarantor within 5 business days of receipt by the Servicer.

1. Documents required for AHFC approval:

- a. [Form SER-71](#) Notification of Recommended Action
- b. [Form SER-71ADD3](#) Notification/Recommendation Action Pre-Foreclosure Sale Addendum.
- c. An appraisal or two Broker Price Opinions (BPOs). In areas where only one broker is available, the Servicer may request a waiver of a second BPO.
- d. Letter from the borrower(s) explaining need for presale.
- e. [Form SER-71B](#) Financial Analysis.
- f. Earnest Money Agreement.
- g. A copy of the Seller's Net Sheet, to include repair estimates, if applicable.

Note: AHFC does not reimburse late charges.
- h. Servicer's Loss Computation Worksheet with breakdown of costs. Include a separate computation reflecting the cost impact of foreclosure compared to the cost impact of the presale transaction.
- i. Borrower's contribution.
- j. Credit package/financials (current credit and origination credit package).
- k. TSG, if available.
- l. Detailed payoff.
- m. Documented marketing efforts.

- n. Status of Homeowner Association dues (if applicable).
 - o. MI/Guarantor approval must be submitted to AHFC upon receipt by the Servicer. Approval may be issued subject to receipt of MI/Guarantor approval.
- 2. Upon approval by AHFC, the Servicer will be provided with a written AHFC approval and Pre-Authorization Loss form ([Form SER-88](#)) for the borrower(s) to sign.
 - 3. If there is a change in the loss amount to AHFC, the Servicer may not close the Pre-Foreclosure Sale without AHFC's written approval.