

## **Handling Short Sales in HMLS**

With short sales becoming more common in the current market, it's important that HMLS Participants and Subscribers understand how to handle them in accordance with the Rules and Regulations. Please refer to the article "Beware of Multiple Offers and Short Sales" for an overview of handling short sales, particularly where multiple offers come into play.

A short sale contract that has been signed by the buyer and the seller is a fully executed contract. Lender approval should be considered a contingency or condition of the contract. The lender is NOT a party to the contract.

As such, when the contract is signed by the buyer and the seller, the listing should be changed in HMLS from "Active" to either "Pending" or "Show for Backups." **It should NOT be left as an "Active" listing.**