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**From:** Buford, Thomas A. (USTP)  
**Sent:** Tuesday, June 09, 2015 4:37 PM  
**To:** [REDACTED]

**Subject:** Short Sale Fees

Trustees,

Trustees' administration of debtors' homes and other real property through negotiated short sales continue to evolve and present unique questions. Issues that recently have arisen include advertising fees, professionals' fees, the contractual relationships between the professionals and the entities with whom the trustees are required to advertise the sales and to whom buyers must submit offers, and the general use of technology. Specifically, many short sales involve a 1.5% negotiation fee that is payable to the same realtor who is earning a 6% real estate sales commission, and a 0.25% technology fee for advertising the real property for sale beyond the MLS listing (that is included as part of the 6% real estate commission). The United States Trustee is reviewing the propriety of both of these fees, the contractual relationships of the parties involved in short sales, and other issues identified in trustees' motions to approve short sales. The United States Trustee is continuing to consult with realtors and other professionals, technology providers, debtors' attorneys, and trustees concerning these matters.

While we explore these issues, effective immediately, the United States Trustee will no longer consent to *ex parte* applications to employ realtors that include negotiation and/or technology fees in addition to a standard 6% real estate commission. Until the United States Trustee communicates otherwise, please do not send applications containing these provisions to the United States Trustee for *ex parte* approval. If an application contemplates payment of these types of fees, the fees should be clearly disclosed and itemized in the body of the application and in the accompanying declaration so that all parties in interest are aware of the proposed fees and compensation. In addition, if these fees are payable to an individual or entity that has another role in the case, that should be disclosed.

Finally, the United States Trustee reserves her right to object to employment applications or motions to approve sales that contain these fees. The United States Trustee may file precautionary objections to employment applications or motions to approve sales that include these fees until we conclude our review of these issues. I anticipate providing further guidance after our review is complete.

Our goal is to gather as much information as possible concerning the short sale practices. If you would like to provide information to our office about your practices in this area, or the propriety of these additional fees and expenses, please contact me.

Thank you,  
Thomas

**Thomas A. Buford III**  
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