

**Short Sale Addendum to Purchase and Sale Contract**



The following provisions are made part of the Contract for Sale and Purchase or Residential Sale and Purchase Contract between \_\_\_\_\_(Seller) and \_\_\_\_\_(Buyer) concerning the Property located at \_\_\_\_\_.

**1. Approval of the Lender:** This Contract is contingent upon: (a) the Seller's Lender(s) and/or other lien holder(s) (collectively the "Lender") approval of the purchase price, terms of the Contract and the HUD-1 settlement statement (b) the Lender's agreement to accept a payoff which is less than the balance due on the loan or other indebtedness and (c) the Lender's release and satisfaction of the mortgage(s) and/or other lien(s) upon receipt of discounted payoff. Seller agrees to disclose or provide any requested information or documentation to the Lender for the purpose of obtaining approval of this shortsale Contract. If Seller obtains an approval from Lender, Seller shall deliver written notice of the approval to the Buyer no later than 3 days after receipt of the approval. If Seller does not deliver written notice to Buyer that Lender has approved the purchase price and contract terms within \_\_\_\_\_ days from Effective Date ("Approval Deadline") (30 days if left blank), or if Lender rejects this Contract prior to the expiration of the Approval Deadline, either party may thereafter cancel the Contract by delivering written notice to the other. However, such right to cancel shall cease to exist if Seller delivered written notice that the Contract has been approved by the Lender.

**2. Effective Date and Time for Acceptance:** The Effective Date and the time for acceptance of all offers and counteroffers under the Contract shall be computed as set forth in the Contract.

**3. Time Periods:** (check one)

Except for Approval Deadline, all time periods for inspections, contingencies, deposit(s) and other obligations under the Contract shall commence from the date Seller delivers written notice to Buyer that the Contract has been approved by the Lender

All time periods under the Contract shall commence from the Effective Date under the Contract.

**4. Acknowledgment by Buyer:** Buyer acknowledges that the Lender is not party to the Contract and therefore is not obligated to approve the Contract. Buyer further acknowledges that Seller and Broker are not liable for delays caused by Lender, failure of the Lender to approve the Contract, failure of the Lender to complete the short sale after approving the Contract or any costs and expenses (such as payments for loan applications, inspections, and appraisals) associated with the delays or Lender's failure to approve the Contract or complete the Short Sale after approving the Contract.

**5. Seller Acknowledgment:** Seller acknowledges that a short sale may result in Lender requiring the Seller to pay the difference of what was owed as a deficiency judgment, that the Lender's forgiveness of debt may be a taxable event to the Seller and that Seller's credit may be negatively impacted. Seller also acknowledges that Lender may require Seller to bring funds to Closing or to execute a promissory note. Seller is advised to consult with appropriate financial, legal and tax professionals. Seller agrees to rely on such professionals and not Broker for tax and legal advice. Seller agrees to release Broker and its associates from all liability regarding the consequences of a short sale.

**6. Multiple Offers:** (check one)  During the term of this Contract, Seller may not accept any back-up offers or enter into any back-up contracts unless otherwise instructed, directed or required by Lender.  During the term of this Contract, Seller may accept a back-up offer or enter into a back-up contract that is conditioned upon termination of Contract.

This addendum amends the above-referenced Contract between Seller and Buyer. All other non-conflicting provisions of that agreement remain in full force and effect.

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