



SHORT SALE DISCLOSURE

Property Address:

Brokerage

Listing Agent:

Seller

Buyer

This disclosure will serve as an addendum to the contract executed by the buyer and seller named above. It is expressly understood by all parties that the seller owes more than the amount of the contract and is unable to bring cash to closing. Therefore, the sale will require the approval of the lender.

Please note that the property will continue to be on the market until the lender accepts an offer.

Following are some potential issues that can affect a short sale:

- 1. After the lender receives the short sale packet, the lender may require at least 30-45 business days to approve the short sale. After approval, the sale must close within lender approved time frame, typically thirty (30) calendar days.
2. The seller will receive no cash from this transaction. Any funds usually due to the seller will be paid to the lender.
3. The seller has no additional cash and will be unable to pay for any closing costs, such as the buyer's appraisal or a home warranty. Should the buyer desire a home warranty they are free to purchase one at closing.
4. The seller may be unable to pay for maintaining the property. The property will remain in the current condition through closing: the seller will not be able to make any repairs to the property.
5. The seller's broker will split the commission 50/50 with the buyer's broker. Please note that since the lender is taking less than what is owed to them in a short sale, the lender in some cases may negotiate a lower commission percentage. In all cases the selling brokerage attempts to negotiate for 6%.
6. The Seller's forgiven or cancelled debt may be taxable income. The Seller should discuss this matter with a tax professional. This has no bearing whatsoever on the buyer.
7. In some cases the lender may pursue a deficiency judgment against the Seller for any funds not collected at closing. This has no bearing whatsoever on the buyer.
8. All time periods under the contract shall commence from the date the Seller delivers written notice to Buyer that the Contract has been approved by the Lender.

By signing this disclosure, you acknowledge that you have read and understand these situations. Any changes to the commission rate will be provided by the lender at the time of the lender's final approval of this short sale.

Seller's Signature _____ Date: _____

Seller's Signature _____ Date: _____

Buyer's Signature _____ Date: _____

Buyer's Signature _____ Date: _____

Listing Broker's Signature _____ Date: _____

Listing Agent's Signature _____ Date: _____

Selling Broker's Signature _____ Date: _____

Selling Agent's Signature _____ Date: _____