

# Addendum – Short Sale Addendum

ADDENDUM TO CONTRACT FOR  
PURCHASE AND SALE OF REAL ESTATE  
BETWEEN

\_\_\_\_\_  
Seller(s)

And

\_\_\_\_\_  
Purchaser(s)

Regarding Property at:

\_\_\_\_\_  
Address

- 
1. **Short Sale Approval.** The Contract for Purchase and Sale of Real Estate (“Agreement”) is contingent upon Seller’s receipt of written consent from an existing secured lender and lien holder (“Short-Sale Lender”) to reduce his/her/their respective loan balance(s) by an amount sufficient to permit the proceeds from the sale of the Property to pay existing mortgages secured by the Property, real property taxes, brokerage commissions, closing costs, and other monetary obligations the Agreement requires Seller(s) to pay at closing (including, but not limited to, title charges, transfer taxes, and pro-rations) in full satisfaction of the mortgage debt and without requiring Seller(s) to contribute any funds at closing. Seller(s) shall reasonably cooperate with the existing Short-Sale Lender(s) and Listing Broker in the Short-Sale process, provided that said cooperation does not obligate Seller(s) to a deficiency balance due to the mortgagee and/or to Seller(s) obligation to contribute funds at the time of closing.
  2. **No Assurance of Lender Short Sale Approval, Seller(s) Right to Refuse Terms of Short Sale.** Purchaser(s) and Seller(s) understand that a Short-Sale Lender (a) is not obligated to accept a short-sale; (b) may require Seller(s) to forward any other offer received; and (c) may accept other offers. Additionally, a Short-Sale Lender may require that, in order to obtain their approval for a short-sale, some terms of the Agreement are amended or that Seller(s) sign a personal note or some other obligation for all or a portion of the secured debt reduction amount. Purchaser(s) and Seller(s) do not have to agree to any terms proposed by a Short-Sale Lender. The Seller(s) reserve the absolute right to reject the Lender’s terms of Short-Sale approval and cancel this Contract at any time. Purchaser(s), Seller(s), and Broker(s) do not have control over whether a Short-Sale Lender will consent to a Short-Sale, or any act, omission, or decision by any Short-Sale Lender in the Short-Sale process.
  3. **The Parties’ Right to Cancel the Contract.** Seller(s) and/or Purchaser(s) reserve the right to cancel the Agreement at any time prior to acceptance of a Lender’s Short-Sale approval or in the event that the Lender’s Short-Sale Approval is rejected by either party for any reason, or no reason whatsoever.
  4. **Purchaser & Seller Costs.** Purchaser(s) and Seller(s) acknowledge that each may incur costs in connection with rights or obligation under the Agreement. These costs may include, but are not limited to, payments for loan applications, inspections, appraisals, and other reports. Such costs will be the sole responsibility of the party incurring them, if a Short-Sale Lender does not consent to the transaction or either party cancels pursuant to the Agreement.
  5. **Adjustments at Closing and Realtors’ Commissions.** The Seller(s), Purchaser(s), and Broker(s) to this Agreement acknowledge that the Lender’s Short Sale Approval may reflect final closing numbers that are not consistent with customary or contractual closing adjustments including, but not limited to, tax proration,

realtor's commissions, and title fees. Where a closing adjustment is not consistent with custom and contract, the Purchaser(s) shall bear the cost. Where a realtor commission has been reduced in connection with the Lender's Short-Sale approval, each realtor shall take a proportionate reduction in their respective commission, notwithstanding any contractual obligation to the contrary. Under no circumstances shall the Seller(s) be required to furnish additional funds at the time of closing.

6. **Credit, Legal, Tax Advice.** Seller(s) is/are informed that a Short-Sale may have credit and tax consequences. The Short Sale may result in taxable income. Seller(s) is/are advised to seek advice from a certified public accountant, or other tax expert regarding such potential consequences of a Short-Sale.
7. **Intended Use of Property.** The Purchaser(s) intend to use the property as a primary residence after the sale is completed.

By signing below, Purchaser(s), Seller(s), and Broker(s) acknowledge that they have read, understand, accept, and have received a copy of this Short-Sale Addendum.

_____ Purchaser	_____ Date	_____ Seller	_____ Date
_____ Purchaser	_____ Date	_____ Seller	_____ Date
_____ Purchaser's Broker	_____ Date	_____ Listing Broker	_____ Date