

SHORT SALE LISTING ADDENDUM

This is an addendum to the [] Residential Listing Agreement, ("Agreement"), dated _____ on property known as _____ ("Property"), between _____, ("Seller"), and _____ ("Listing Company").

1. **SHORT SALE LISTING:** Listing Company has advised Seller that the amount of money necessary to pay in full all loans and other debt or obligations that are secured by a lien(s), including any IRS liens, on the Property (loans/liens) as well as Listing Company commissions and other costs of sale may exceed the current market value of the Property. Accordingly, in order to sell the Property, Seller may be required to: (1) deposit his/her own funds into escrow, (2) obtain the agreement of secured lender(s) or creditor(s) (collective referred to as the "Lender") to accept, as payment in full, less money than they are owed (Short Sale), and/or (3) pay back some or all of the shortage after the sale is complete. Listing Company has advised Seller that other options, such as, but not limited to, negotiating a modification of existing loans/liens, refinancing, bankruptcy, foreclosure, or deed in lieu of foreclosure may be more appropriate for Seller. Any sale of the Property will be contingent on Lender approval.

2. **TAX CONSEQUENCES:** Listing Company has advised Seller that if Lender agrees to accept less than full payment, the difference may result in taxable income to Seller even though Seller does not receive any cash proceeds from the sale. Seller may also be taxed on the gain in value of the Property from the date of Seller's purchase to the date of sale, regardless of the amount of any existing Loans/liens.

3. **CREDIT CONSEQUENCES:** A Short Sale may have a negative impact on Seller's credit rating even if a foreclosure process has not officially begun or once begun is not completed.

4. **LENDER CONSIDERATIONS:** Seller acknowledges that a Short Sale is Subject to Lender approval. Lender is not obligated to accept a Short Sale. Lender may impose conditions prior to consideration or approval of a Short Sale, such as obtaining a new appraisal, or requiring Seller to demonstrate hardship or provide copies of tax returns, pay stubs, assets, or other financial information. Lender may inform the IRS or credit reporting companies of the payment shortage. Listing Company has no control over Lender's decisions. Accordingly, Seller agrees to hold Listing Company harmless for acts or omissions of Lender.

5. **SELLER COOPERATION AND LISTING COMPANY AUTHORITY:** Seller agrees to cooperate in negotiations with the Lender promptly upon request by the Listing Company and/or any closing attorney or closing agent involved in handling settlement and closing on any sale of the Property. Seller's cooperation shall include, but shall not be limited to, providing (i) explanation, in writing, of financial circumstances, (ii) true copies of bank records and other financial data as may be requested by the Lender, (iii) access to the Property for appraisals and/or inspections and (iv) such other assistance as may be deemed necessary by the closing attorney or closing agent involved in handling settlement and closing on any sale of the

Property. Seller authorizes Listing Company to: (1) market the Property for sale, (2) contact Lender concerning Lender's approval of a Short Sale and Seller agrees to give Listing Company any necessary information to negotiate with Lender, and (3) advertise in the MLS and other advertising medium that the Property transfer, sales price and payment of commissions are subject to Lender approval. If Lender will not cooperate, Listing Company may cancel this listing agreement.

6. TAX AND LEGAL ADVICE: Listing Company has advised Seller to consult with legal and tax counsel, prior to signing this listing, regarding the decision to seek a Short Sale. Listing Company cannot give legal or tax advice.

By signing below, Seller acknowledges that Seller has read, understands and received a copy of this Short Sale Listing Addendum. Seller is encouraged to read it carefully.

Date/Time: _____ Date/Time: _____
SELLER: _____ SELLER: _____

(Print name) (Print name)

(Address)

Listing Company (Listing Firm): _____ Lic. # _____
By: _____ Lic. # _____ Date: _____

Address: _____ City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____ E-mail: _____