



**Addendum to Short Sale Transaction**

1. **SHORT SALE APPROVAL** The sale of the property is subject to and contingent upon written consent of existing lender(s) and lien holder(s) to discount the amount secured by the above name property sufficiently for a successful closing on the sale of the property. Moreover, this sale of the Property is contingent upon the seller's acceptance of any conditions imposed by such lender(s) and lien holder(s). In the event all lender(s) and lien holder(s) do not consent to the short sale or Seller is unwilling to agree to the conditions imposed by any lender(s) and lien holder(s) , Seller reserves the right to terminate the Agreement, in which event the earnest money shall be refunded to Buyer and neither party shall have any further rights or obligations hereunder.
2. **PURPOSE OF ADDENDUM:** The purpose of this addendum is to ensure that BOTH buyer and seller are committed to this transaction and to indentify buyers who attempt to tie up a home while they continue shopping for another. Should the Purchaser(s) withdraw the offer prior to lender(s) approval or rejection, on or before **Ninety (90)** calendar days from the date of this fully executed addendum, the earnest money deposit will be non-refundable. Purchaser(s) must provide written notice if they wish to cancel this purchase offer.
3. **INSPECTIONS:** All time frames referenced in the inspection clause within the Purchase Agreement shall commence upon written receipt of lender(s) and lien holders(s) approval of short sale by all parties. In the event of closing cancellation due to the actions of the lender(s) and lien holder(s) that will not allow a closing or transfer of ownership to the buyer, the seller will have no liabilities for costs involved for any inspection and reports ordered by the buyer and any upfront costs required by buyer(s) lender to process the loan.
4. **LISTING STATUS:** The seller shall sign the purchase agreement, all the addendums and accompanying documents before submitting for lender approval. The status of the listing will be changed to "PENDING" in the MLS system. Any future offers will be considered backup offers and will not be presented to the seller's mortgage company (or any other lien holder) until a decision regarding this offer has been made.
5. **HOME WARRANTY:** Buyer acknowledges that the seller is not offering a home warranty and the buyer is not requesting a home warranty be paid for by the seller. In a short sale, the lender usually does not agree to pay for the home warranty. Buyer may however purchase a home warranty at the buyer's expense.
6. **PRORATIONS:** All taxes which are due and payable on or before the date of closing shall be paid by seller. Current taxes, if any, shall be prorated and adjusted as of the date of the closing accordance with the due date basis of the municipal taxing unit in which the property is located. Purchaser shall reimburse Seller for taxes paid in advance from date of closing. Property taxes coming due and payable subsequent to the date of closing shall be the sole responsibility of the Purchaser.
7. **EARNEST MONEY DEPOSIT:** The EMD shall be 3% of the purchase price, or a minimum of \$1000, *whichever is greater*, and a copy of that check will be provided to the listing agent at the time of offer. The EMD will be deposited in the selling or listing broker's escrow account at the time of the seller's acceptance of the sales contract.

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

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

8. **AS-IS PURCHASE:** The buyer and seller agree the buyer is purchasing the home as-is and assumes all costs for required repairs (including those required by lender or municipality) subject to any inspection contingency. The seller is not contributing funds for any repairs even if requested in the original purchase agreement. If the city or municipality where the property is located requires a C/O and/or any inspections of any kind, the buyer agrees to pay for the inspection(s) and the C/O.
  
9. **MORTGAGE CONTINGENCY:** If the buyer is obtaining financing to purchase the property, the buyer affirms that the mortgage pre-approval submitted with this offer was obtained after submitting to both income and credit verification. Buyer also affirms that he/she has the funds required for the down payment and all closing costs required by the buyer's lender. Buyer agrees to forfeit their EMD to the seller in the event that mortgage approval cannot be obtained due to lack of funds. The buyer should not make an offer if the buyer does not have the funds. The buyer hereby authorizes buyer's agent and lender (and/or its successors and assigns) to discuss with seller and any agent or affiliate of seller, the details of buyer's loan application including, without limitation, buyer's credit history (including a credit report), income, debts and the progress of the entire loan application. Buyer further authorizes seller, and agent or affiliate of seller, or any investigative agency (including another mortgage company) hired by seller, to investigate buyer's ability to purchase the property under the terms and conditions of the agreement including, without limitation, ordering a credit history from a credit reporting agency and discussing buyer's loan application with buyer's lender and/or its successors or assigns. This purpose of this provision is to ensure that the buyer does not use the mortgage contingency inappropriately to get out of the contract. Should the buyer, Buyer's agent, or buyer's lender (and/or its successors and assigns) refuse to cooperate with the seller, any agent or affiliate of seller, the Buyer agrees to forfeit the EMD to the seller.
  
10. **CLOSING:** Closing will take place within 45 days of listing agent receiving all short sale approvals.
  
11. **UTILITIES:** For any inspections requested or required by the buyer in connection with this transaction, if any of the utilities are off, the buyer agrees to turn any and all of them on in their name and coordinate turning them on.
  
12. **CONFLICT OF PROVISIONS:** The terms of this addendum shall supersede the terms of the purchase agreement or any other agreement, amendment, or addendum should there be a conflict, including those signed on the same day as this addendum. Only agreements executed by all parties dated at least 1 day after this agreement shall supersede this addendum even if another agreement submitted by the buyer claims to supersede or control any other agreement.
  
13. **DISCLAIMER:** All parties acknowledge that they have been advised to obtain legal advice concerning the terms of a short sale agreement and professional tax advice regarding tax implications of such a transaction. Seller specifically acknowledges that no agent has made any representation with respect to any continued liability on any existing mortgage or lien and that Seller has been advised to seek legal advice on this issue. Seller should not assume that the lender(s) and lien holder(s) approval of the short sale, or acceptance of a lesser amount, or the granting of a discharge of mortgage will release the Seller from any obligation to pay the lender(s) and lien holder(s) for any deficiency or difference between the amounts owed to the lender(s) and lien holder(s) and the amount paid to the lender(s) and lien holder(s) at closing.
  
14. **COMMISSION (Applies to Selling Broker and Listing Broker):** Buyer and Selling agent/broker understand that the commission on a short-sale must be approved by the seller's lender and the commission may be reduced by the seller's lender. Should the lender reduce the commission amount to an amount other than what is on the MLS listing agreement, the buyer and selling agent/broker agree that the selling agent will receive 50/50 commission split with the listing agent/broker.
  
15. **SELLING AGENT SIGNATURE:** Selling agent must sign the addendum to acknowledge the commission split referenced in #14 or this offer is null & void.

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Purchaser

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Seller

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Purchaser

\_\_\_\_\_  
Seller

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Buyer Agents

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Listing Agent