

Short Sale Addendum to Exclusive Listing Agreement

This addendum is incorporated into the Exclusive Listing Agreement ("Listing Agreement") between _____ ("Seller") and _____ (Broker) dated _____ regarding the property described as _____ ("Premises") and is to be considered part thereof. In the event this Addendum conflicts with the standard form section of the Listing Agreement, then this Addendum shall control.

1. Acknowledgement of Short Sale: Seller acknowledges that based upon information supplied to the Broker by the Seller, the Broker has advised the Seller of the following: (1) That the current fair market value of the property may be insufficient to discharge all debts and obligations secured by liens on the Premises as well as to pay brokers' fees, transfer taxes and other costs of sale. (2) That sale of the Premises is likely to require approval by one or more lienholders, and that a lienholder is not obligated to approve the terms of the sale unless paid in full.
2. Broker Not Liable for Lender Decisions: Lienholders are not within the Broker's control. Broker shall not be liable for any loss, damage or harm to the Seller resulting from; (a) Broker's communications with a lienholder, (b) a lienholder's rejection of the short sale terms; (c) failure of a lienholder to make a decision in a timely manner; or (d) imposition of terms or conditions by a lienholder.
3. Alternatives to Short Sale: Alternatives to a short sale may be available, including, but not limited to the following; (a) forbearance agreements or repayment plans with the Seller's lender(s) (b) loan modifications; (c) refinancing programs, either with the Seller's lender(s) or with other lenders; (d) bankruptcy; (e) voluntary deed in lieu of foreclosure.
4. Seller's Right to Consult with Others: Broker has further advised the Seller that the Seller is free to consult an attorney and/or tax advisor to discuss the possible credit and tax ramifications of a short sale and the alternatives to a short sale. Seller is aware that Broker can neither provide tax advice nor legal advice.
5. Disclosure of Short Sale Status: Seller acknowledges that the Broker has advised the Seller that the Broker is obligated to disclose the status of any short sale. Seller hereby authorizes the Broker to identify the property as a short sale in marketing and promotional materials and in the listing of the Premises. Broker is further authorized to disclose to prospective buyers and their agents that the terms of the sale may be subject to third party approval and that the transaction is likely to be a short sale. Broker shall have no liability for any loss, damage or harm to the Seller from any such communication.
6. Authorization to Contact Third Party or Parties Regarding Short Sale: Seller hereby authorizes the Broker to communicate with Sellers' lienholder(s) regarding the details of Seller's loan(s) and the possibility of the lienholder accepting less than the total amount owed in exchange for a release of the lien.
7. Seller's Duties: Seller hereby agrees to cooperate with the Broker's efforts to negotiate a reduced payoff amount by executing or providing any documentation required by the Seller's lienholder(s) in order to review or process the short sale. Such documentation may include, but, is not limited to the following; appraisal, copies of tax returns, W2 forms, 1099 forms, pay stubs, bank statements, statement of assets, medical statements, and documentation to establish a hardship. Seller agrees to respond to Broker's requests promptly, accurately, and fully. Broker shall not be responsible for an adverse decision (or the failure to make a decision in a timely manner) by a lienholder(s). Broker shall not be responsible to verify any information provided by Seller and Seller agrees to indemnify, defend and hold Broker harmless from all liability including attorney's fees and defense costs arising from incorrect or untruthful information provided by Seller.

Date: _____

Seller

Broker

Seller