



Short Sale Contract Addendum

Dated: _____

Seller: _____ Seller: _____

Buyer: _____ Buyer: _____

Property Address: _____

City, State, Zip Code: _____

This Addendum to Contract is entered into and is effective as of ___/___/___ by and between, Seller(s), Buyer(s) and Broker (hereinafter referred to as "the Parties") and shall be deemed to amend, modify, and supplement that certain Contract Dated ___/___/___ by and between Seller(s) and Buyer(s) (the "Contract").

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Short Sale Addendum and of the representations, warranties, conditions and promises hereinafter acknowledged, Sellers, Buyers and Broker hereby agree as follows:

- The Parties acknowledge and agree that the Subject Property is being sold in *"as is"* condition.
- The Parties acknowledge and agree that the Subject Property must be sold through an Arms Length Transaction—Mortgagors and mortgagees must adhere to ethical standards of conduct in their dealing with all parties involved in a Short Sale transaction. The Short Sale must be between two unrelated parties and be characterized by a selling price and other conditions that would prevail in a typical real estate sales transaction. No party to this contract is a family member, business associate, or shares a business interest with the mortgagor (Sellers).
- Neither the Buyers, or Sellers, nor their Agents have any agreements written or implied that will allow the Seller to remain in the property as renters or regain ownership of said property at anytime after the execution of this Short Sale transaction. None of the parties shall receive any proceeds from this transaction except the approved sales commissions.
- The Parties agree that this Short Sale transaction will not constitute appraisal fraud, flipping, identity theft and/or straw buying.
- The Parties agree that the Seller may cancel this agreement prior to the ending date of the contract period without advance notice to the Broker, and without payment of a commission of any other consideration, if the property is conveyed to the mortgage insurer or the mortgage holder.
- The Parties agree that the acceptance of the Short Sale is contingent upon the approval of FHA, VA government agencies, any Investor, and/or mortgage insurer or the mortgage holder.
- The Parties agree that under no circumstances will the sales contract be assignable.
- The Parties agree that this Addendum together with the Sales Contract shall constitute the entire and sole agreement between the Parties with respect to the sale of the subject property and superseded any prior agreements, negotiations, understandings, optional contracts, or other matters whether oral or written, with respect to the subject matter hereof. No alternations, modifications, or waiver of any provision hereof shall be valid unless in writing and signed by Parties, FHA, VA, government agencies, any Investor, and/or mortgage insurer or mortgage holder, hereto.

IN WHITNESS WHEREOF, the Parties have executed this Addendum as of the date first written above.

Seller: _____ Date: _____

Seller: _____ Date: _____

Buyer: _____ Date: _____

Buyer: _____ Date: _____

Broker/Realtor: _____ Date: _____

Short Sale Affidavit

Loan number: _____

As relates to a certain real estate purchase contract dated ____ / ____ / ____ concerning the following Mortgaged Premises;

Property address: _____

under which the existing Lender(s) has agreed to accept less than full payoff of the debt owed in exchange for release of the Mortgaged Premises (a short sale), each of the signatories hereto hereby certify and affirm under penalty of perjury, that to the best of their knowledge and belief;

- (a) The sale of the Mortgaged Premises is an “arm’s length” transaction, between the parties who are unrelated and unaffiliated by family, marriage, or commercial enterprise;
- (b) Neither the Borrower(s) nor the purchaser(s) will receive any funds or commissions from the sale of the Mortgaged Premises, except as allowed by the short sale approval letter (if applicable);
- (c) There are no agreements, understandings or contracts relating to the sale of the Mortgaged Premises that have not been disclosed to the Lender;
- (d) None of the signatories will receive any proceeds or other remuneration from this transaction except as set forth on the Settlement Statement; and
- (e) None of the signatories have knowledge of any offer to purchase the Mortgaged Premises for a higher purchase price than the purchase price contained in the certain real estate purchase contract referenced above that has not been presented to the Lender(s).

The signatories also agree to add the following clauses in the listing agreement (if not already included):

- (f) A clause which reads as follows: “The acceptance of the short sale offer is contingent upon the approval of Wells Fargo Bank, N.A., FHA, HUD, and/or any investor.”
- (g) A cancellation clause which reads as follows: “Seller may cancel this agreement prior to the ending date of the listing period without advance notice to the broker, and without payment of a commission or any other consideration, if the property is conveyed to the mortgage insurer or the mortgage holder.”

Each signatory also understands, agrees and intends that the Lender, FHA, HUD, and/or any Investor of the subject Mortgage are relying upon the statements made in the affidavit as consideration for the reduction of the payoff amount of the Mortgage and agreement to the sale of the Mortgaged Premises.

Seller Date

Seller Date

Print Name

Print Name

Seller’s Broker Date

Buyer’s Broker Date

Print Name and Company Name

Print Name and Company Name



Buyer Date

Print Name

Settlement Agent Date

Print Name and Company Name

Print Company Address

Buyer Date

Print Name

Transaction Facilitator (if any) Date

Print Name and Company Name

Print Company Address



AFFIDAVIT OF “ARM’S LENGTH TRANSACTION”

All Parties to the contract dated -

Property address:

Hereby affirm that this is an “Arm’s Length Transaction” as detailed below;

No party to this contract is a family member, business associate, or shares a business interest with the mortgagor. Furthermore, there are no hidden terms or special understandings between the mortgagor, buyer and/or their respective agents.

Said parties do not have any agreements written or implied that will allow the seller to remain in the property as renters or regain ownership of the property at any time after the execution of this transaction. None of the parties shall receive any proceeds from this transaction except the sales commission as approved by the lender.

(Seller Signature) Date (Seller Signature) Date

(Print Seller Name) (Print Seller Name)

(Buyer Signature) Date (Buyer Signature) Date

(Print Buyer Name) (Print Buyer Name)

(Seller’s Agent) Date (Buyer’s Agent) Date

Title Company

Closing date extension

All parties agree to close within 30 days of written approval from the investors and Wells Fargo. This document also extends the contract acceptance date to within 15 days from the investors' approval.

Seller: _____ Date: _____

Seller: _____ Date: _____

Buyer: _____ Date: _____

Buyer: _____ Date: _____

Broker: _____ Date: _____

Broker: _____ Date: _____