



CERTIFIED DISTRESSED
PROPERTY EXPERT®

Short Sale Disclosure

Brokerage

Listing Agent

Property Address

Seller

Buyer

This disclosure will serve as an independent agreement and relates to the contract executed by the buyer and seller named above. It is expressly understood by all parties that the seller owes more than the amount of the contract and is unable to bring cash to closing, therefore the sale will require the approval of the lender. Please note that the property may remain on the market for the purpose of accepting backup offers until the lender approves a contract, and the property will be listed on MLS as undergoing a short sale.

Following are some potential issues that can affect a short sale:

1. After the lender receives the short sale packet, the lender may require approx 45 business days to approve the short sale. After approval, the sale must close within lender approved time frame, typically 30-45 calendar days.
2. The seller will receive no cash from this transaction Any funds usually due to the seller will be paid to the lender.
3. The seller has no additional cash and will be unable to pay for any closing costs, such as the buyer's appraisal or home warranty. Should the buyer desire a home warranty they are free to purchase one at closing.
4. The seller may be unable to pay for maintaining the property. The property will remain in the current condition through closing; the seller will not be able to make any repairs to the property.
5. Please note that since the lender is taking less than what is owed to them in a short sale, the lender in some cases may negotiate a lower commission percentage. Any changes to the commission rate will be provided by the lender at the time of the lender's final approval of this short sale.
6. The seller's forgiven or cancelled debt may be taxable income. The seller should discuss this matter with a tax professional. This has no bearing whatsoever on the buyer.
7. In some cases, the lender may pursue a deficiency judgment against the seller for any funds not collected at closing. This has no bearing whatsoever on the buyer.
8. By signing this disclosure, you acknowledge that you have read and understand these situations.

Seller's Signature

Date

Buyer's Signature

Date

Seller's Signature

Date

Buyer's Signature

Date

Listing Broker's Signature

Date

Selling Broker's Signature

Date

Listing Brokerage/Company

Date

Selling Brokerage/Company

Date

Listing Agent

Date

Selling Agent

Date

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