



CERTIFIED DISTRESSED  
PROPERTY EXPERT®

# Disclosure of "Arm's Length Transaction"

Pursuant to a residential purchase agreement ("Agreement"), the parties identified below as "Seller(s)" and the "Seller's Broker" respectively, are involved in a real estate transaction whereby the real property ("Property") referenced below will be sold by Seller(s) to Buyer(s). Property address: \_\_\_\_\_

("Lender") holds a deed of trust or mortgage against the Property. In order to complete the sale of the Property, Seller(s) and Buyer(s) will ask the Lender to discount the total amount owed on the loan which is secured by the deed of trust or mortgage. The Seller agrees to and understands that its lender, in consideration for the representations made below, agrees to a short sale on the express condition that Seller(s), Buyers, and their respective agents (including, without limitation, real estate agents, escrow agents, brokerages and title agents) each truthfully represents, affirms, and states as follows:

1. The purchase and sale transaction reflected in the Agreement is an "Arm's Length Transaction," meaning that the transaction has been negotiated by unrelated parties, each of whom is acting in his or her own self-interest, and that the sale price is based on fair market value of the Property. With respect to those persons signing this affidavit as an agent for either Seller(s), Buyer(s), or both, those agents are acting in the best interests of their respective principal(s).
2. No Buyer or agent of Buyer(s) agents is a family member or business associate of the Seller(s) or the borrower(s) or the mortgagee(s).
3. No Buyer or agent of Buyer(s) shares a business interest with the Seller(s) or the borrower(s) or the mortgagee(s).
4. There will be no hidden terms or hidden agreements or special understandings between the Seller(s) and a Buyer(s) or among their respective agents which are not reflected in the Agreement or the escrow instructions associated with this transaction.
5. There will be no agreement, whether oral, written, or implied, between the Seller(s) and a Buyer and/or their respective agents which allows the Seller(s) to remain in the property as tenants or to regain ownership of the Property at any time after the consummation of this sale transaction.
6. The Seller(s) shall not receive any proceeds from the sale of the Property reflected in the Agreement, except as is reflected in the final estimated closing statement which shall be provided to Lender for approval prior to the close of escrow.
7. No agent of either the Seller(s) or the Buyer(s) shall receive any proceeds from this transaction except as is reflected in the final estimated closing statement which shall be provided to Lender for approval prior to the close of escrow.
8. Each signatory to this Affidavit expressly acknowledges that Lender is relying upon the representations made herein as consideration for discounting the payoff on the loan(s) which is/are secured by a deed of trust or mortgage encumbering the Property.
9. Each signatory to this Affidavit expressly acknowledges that any misrepresentation made by him or her may subject him or her to civil and / or criminal liability.

I declare under penalty of perjury that all statements made in this Affidavit are true and correct.

Additionally, I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly and willfully make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

\_\_\_\_\_  
Seller Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Seller's Broker Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer's Broker Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Brokerage

\_\_\_\_\_  
Print Name and Brokerage