

**SHORT SALE ADDENDUM TO THE RESIDENTIAL
REAL ESTATE PURCHASE CONTRACT**
ADOPTED BY THE COLUMBUS BOARD OF REALTORS®



Premises Address: _____

The following additional terms and conditions are hereby included as part of the contract between Seller and Buyer for the above referenced premises.

1. **Contingent upon Acceptable Short Sale Agreement:** Buyer and Seller acknowledge that there is more debt owed against the premises than the Seller will net from the proceeds. Therefore, this contract is contingent upon a written agreement between the Seller and Seller's creditor(s), acceptable to both, to sell the premises for less than the loan amount(s) as a short sale. Buyer and Seller acknowledge that it may take weeks or months to obtain creditor(s) approval of a short sale.
2. **Documentation to Creditor(s):** Seller shall submit to Creditor(s) a copy of this contract, including this and any other addenda, and any other documentation required by the Creditor(s) for approval of this sale within ten (10) days after contract acceptance.

Seller agrees to diligently work to obtain short sale approval and will promptly provide the Creditor(s) with all additional documentation required.

3. **Other Contracts:** Unless otherwise agreed in writing, Seller may continue to market the property despite acceptance of Buyer's offer, and may present to the Creditor(s) any additional offers that are received on the property. Seller to provide Buyer/Buyer's Broker with written notice of the receipt of any other acceptable offers.
4. **Agreement Notice:** If Seller and Seller's Creditor(s) enter into a written short sale agreement, consistent with the terms detailed in this contract, the Seller shall immediately deliver that agreement to Buyer/Buyer's Broker. That notice shall be known as the "Agreement Notice".
5. **Earnest Money Deposit:** Upon receipt of the Agreement Notice, Buyer shall within 72 hours deposit with the Buyer's Broker the earnest money as described in the contract.
6. **Buyer Termination:** Buyer may terminate this contract with a written Notice of Short Sale Termination to Seller at any time before receipt of a short sale Agreement Notice from Seller. The Buyer shall be entitled to the return of all earnest money deposited with Buyer's Broker.
7. **Unfulfilled Contingency:** In the event that Seller and the Creditor(s) are unable to reach a short sale agreement acceptable to both, Seller shall promptly notify Buyer or Buyer's Broker, and this contract shall be deemed terminated due to the unfulfilled short sale contingency. The Buyer shall be entitled to the return of all earnest money deposited with Buyer's Broker.
8. **Time Periods:** Contract acceptance for the purposes of all time periods shall be defined as the day the Agreement Notice is delivered to Buyer or Buyer's Broker. All time periods provided for in the contract, including the Specified Inspection Period, shall commence on the day following delivery of the Agreement Notice.

9. **Buyer and Seller Costs:** Buyer and Seller acknowledge that each may incur costs in connection with rights or obligations under the contract. These costs may include, but are not limited to, payments for loan applications, legal counsel, inspections, appraisals, and other reports. If the Creditor(s) do not consent to the transaction or either party terminates pursuant to this contract, such costs will be the sole responsibility of the party incurring them.

10. **Closing:** Closing shall occur not later than _____ calendar days after delivery of Agreement Notice.

11. **Other Terms and Conditions:**

In the event that any provision contained in this Short Sale Addendum conflicts in whole or in part with any terms contained in the contract, the provisions of this addendum shall prevail and the conflicting terms are hereby considered deleted and expressly waived by both Buyer and Seller.

Buyer Date

Seller Date

Buyer Date

Seller Date



AFFIDAVIT OF "ARM'S LENGTH TRANSACTION"

All parties to the contract on the premises dated _____:

Loan Number:

Property Address:

Hereby affirm that this is an "Arm's Length Transaction",

No party to this contract is a family member, business associate, or shares a business interest with the mortgagee. Further, there are no hidden terms or special understandings between the seller or buyer or their agents or Mortgagee.

The Buyers and 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 any time after the execution of this short sale transaction. None of the parties shall receive any proceeds from this transaction except the sales commission.

(Seller) Date

(Seller) Date

Print Name

Print Name

(Seller's Agent) Date

(Buyer's Agent) Date

Print Name and Company

Print Name and Company

(Buyer) Date

(Buyer) Date

Print Name and Title Co. Name

Print Name and Title Co. Name

ADDENDUM TO REAL ESTATE PURCHASE CONTRACT

Date: _____

Addendum: _____

Page: _____

In reference to the Real Estate Purchase Contract originally dated _____

between Buyer _____

and Seller _____

covering the property commonly known as _____

The provisions of this addendum supersede any conflicting provision in the Real Estate Purchase Contract or any other prior addendum.

- 1) It is understood and agreed to by all parties that the purchase contract dated _____ is the only base contract between above buyer and seller on stated property. Any other contract is null and void.

• _____

Buyer _____

Date _____

Buyer _____

Date _____

Seller _____

Date _____

Seller _____

Date _____



UNDERSTANDING SHORT SALES

ADOPTED BY THE COLUMBUS BOARD OF REALTORS®

This information is provided by your agent, real estate brokerage and the Columbus Board of REALTORS® as a helpful informational resource. The following is an explanation regarding some of the practical and legal issues involved in Short Sales. Buyer and Seller are informed that the short sale process may have financial, credit or legal consequences and may result in taxable income to or deficiency owned by the Seller. **Buyer and Seller are advised to seek advice from an attorney, certified public accountant or other expert regarding the potential consequences of a short sale.**

Short Sale Defined: The term “Short Sale” is used in the real estate business to describe a situation where there is more debt owing against a property than the current market value of the property, and where the seller is unwilling or unable to bring sufficient liquid assets to the closing to cure all deficiencies. In other words, the Seller can’t sell the property unless the third parties, or “Creditor(s),” agree to accept a payment that is less or “short” of the amounts actually owed to the Creditor(s). the Creditor(s) are usually mortgage lenders, mortgage insurers, bankruptcy trustees, and federal, state, and local taxing authorities such as the IRS or State Tax Commission.

No Binding Contract without Creditor(s) Approval: A Short Sale requires the written approval of the Creditor(s). Consequently, the Seller of the property and any Buyer, are advised that even if they reach an agreement between themselves for the purchase and sale of the property, that agreement will not be binding until the Creditor(s) approve the terms of the Short Sale.

Creditor(s) Rejection or Changes to Proposed Short Sale: Based upon the obvious financial loss, the Creditor(s) may reject a proposed Short Sale. If, however, the Creditor(s) do not reject the proposed Short Sale, they will usually send to the Seller a list of requested changes to the proposed purchase contract. Some of those changes will affect the Seller; and others may affect the Buyer. For example, the Creditor(s) may require that the property be sold in “As-Is” condition. Also the Creditor(s) may not permit the Seller to pay for any of the Buyer’s closing costs, repairs, etc. the Seller and the Buyer are not obligated to accept any of the changes requests by the Creditor(s), in which case, there will be no Short Sale. If, however, the Seller, the Buyer, and the Creditor(s) reach a written agreement with each other, then, at that point, the Short Sale transaction may proceed to closing.

Delays in Response from the Third Parties: Most purchase contracts for Short Sales impose a deadline for written approval by the Creditor(s). as a practical matter, the Creditor(s) rarely meet that deadline.

THE SELLER AND THE BUYER SHOULD BE PREPARED FOR SIGNIFICANT DELAYS IN RECEIVING ANY RESPONSE FROM THE CREDITOR(S).

Right of Creditor(s) to Encourage Additional Offers: As a condition of considering any proposed Short Sale, the Creditor(s) may require that the Seller keep the property on the market, even after the Seller and the Buyer have agreed to the terms of the proposed purchase contract. As a reminder, the Creditor(s) are being requested to accept payment that is less than what is owed to them. Under those circumstances the Creditor(s) want to obtain the highest possible price for the property, and, therefore may require the Seller to keep the property on the market and promptly submit any additional purchase offers received.

NOTICE OF SHORT SALE CONTRACT TERMINATION
ADOPTED BY THE COLUMBUS BOARD OF REALTORS®



Date _____

Premises Address: _____

Seller: _____
(print name)

Seller: _____
(print name)

Buyer: _____
(print name)

Buyer: _____
(print name)

Contract Date: _____

Buyer is terminating the Real Estate Purchase Contract for the following reason:

Buyer has not received an Agreement Notice from the Seller.

Earnest Money Deposit: Buyer requests the return of the Buyer's Earnest Money Deposit pursuant to paragraph 10 of the Real Estate Purchase Contract.

Buyer Date

Buyer Date

