REALTOR®

ADOPTED BY THE COLUMBUS BOARD OF REALTORS®

REAL ESTATE PURCHASE CONTRACT

SHORT SALE ADDENDUM TO THE RESIDENTIAL

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.

- 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 Compa	iny
(Puyor)	Data	(Puwor)	
(Buyer)	Date	(Buyer)	Date
Print Name and Title Co. Name		Print Name and Title Co	o. Name

ADDENDUM TO REAL ESTATE PURCHASE CONTRACT

Date:		
Addendum:		
Page:		
In reference to the Real Estate Purchase Contract originally d	lated	
between Buyer		
and Seller		
covering the property commonly known as		
The provisions of this addendum supersede any conflicting p prior addendum.	rovision in the Real Estate Purchase	Contract or any other
 It is understood and agreed to by all parties that base contract between above buyer and seller o 		
•		
Buyer		
Buyer	Date	-
Seller	Date	-
Seller	Date	

UNDERSTANDING SHORT SALES

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 that 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.

THE SELLER AND THE BUYER SHOULD UNDERSTAND THAT THE CREDITOR(S) MAY NOT EVEN RESPOND TO THE PROPOSED SHORT SALE TRANSACTION UNTIL THEY HAVE HAD AN OPPORTUNITY TO COMPARE THAT OFFER WITH OTHER PURCHASE OFFERS. THAT PROCESS MAY ALSO RESULT IN SIGNIFICANT DELAYS FOR ALL PARTIES.

Right of the Buyer to Cancel: As provided above, the Seller may be required by the Creditor(s) to continue to market the property even after the Seller and the Buyer have entered into a purchase agreement. Based upon that requirement, the Seller and the Buyer are also advised that until the Seller, the Buyer, and the Creditor(s) reach a written agreement, the Buyer may cancel the proposed Short Sale transaction for any reason, or for no reason, by providing written notice to the Seller.

Legal and Tax Advice: A short sale may adversely affect the Seller's credit rating. Seller is advised to obtain legal advice regarding the advisability and terms of any short sale agreement with Creditor(s) and professional tax advice regarding the tax implications of any such sale.

ACKNOWLEDGEMENT OF RECEIPT

The undersigned acknowledge that they have read and understand this document.

Signature

Date

Signature

Date

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 t	he Real Estate Purchase Contract for the follo	owing reason:	
Buyer has no	t received an Agreement Notice from the Sell	ler.	

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





Property Address:__

The following additional terms and disclosures are included as part of the listing agreement dated ______, between Property Owner(s) and Brokerage.

A short sale is a sale of real estate where the sales price is insufficient to pay the total of all liens and costs of sale; and where the owner is unwilling or unable to bring sufficient liquid assets to the closing to cure all deficiencies.

Generally, the owner cannot sell the property unless third parties agree to accept payment that is less than or "short of" the amounts actually owed. Such third parties may include mortgage lender, mortgage insurer, bankruptcy trustee, federal, state and local taxing authorities such as the IRS or State Tax Department (hereinafter collectively referred to as Lien Holders.)

- 1. Owner acknowledges that there may be disadvantage to a short sale. Owner is advised to: explore options other than a short sale with Lien Holders, such as a loan modification or revised payment plan, refinance, or entry into the Lien Holder's loss mitigation plan, if available; and to seek legal, tax and credit counsel regarding the consequences of a short sale.
- 2. Owner authorizes Brokerage to (a) disclose that the Property is a short sale or pre-foreclosure property in the MLS in accordance with MLS rules and regulations, and in other marketing; (b) disclose in the MLS how any reduction in gross commission established in the listing agreement will be apportioned between the listing and cooperating brokers; (c) continue to market the property for sale according to MLS rules and regulations until Lien Holders approve the short sale; (d) provide comparables, broker price opinions, MLS and other data documenting current value of the Property.
- 3. Owner authorizes Brokerage and its agent to include a contingency for: (a) approval of the purchase price and all other terms of the sales contract by Owner's Lien Holders; (b) Lien Holders' agreement to accept a payoff which is less than the balance owed on the loan and/or lien; and (c) Lien Holders' issuance of a release and satisfaction of the mortgage(s) and/or lien(s) upon Lien Holders' receipt of the reduced payoff amount(s).

This addendum amends the above-referenced listing agreement between Owner and Brokerage. All other nonconflicting provisions of that listing agreement remain in full force and effect. If Owner is composed of more than one person, I/we represent that those not signing, if any, have authorized my/our signing on their behalf. Receipt of a copy of this addendum is hereby acknowledged.

Accepted	k			
-	Brokerage	Date	Owner	Date
Ву				
9	Salesperson	Date	Owner	Date