SHORT SALE OFFER INSTRUCTIONS

PLEASE READ ENTIRE ADDENDUM AND MAKE SURE BUYER UNDERSTANDS EVERY DETAIL

THIS ADDENDUM MUST BE SUBMITTED WITH PURCHASE AGREEMENT. BY SIGNING AND INITIALING THIS ADDENDUM, I AGREE THAT I HAVE READ, UNDERSTOOD, AND AGREE TO ALL TERMS OF THIS ADDENDUM.

Where and how to submit the offer:

- Offers shall be submitted via email.
- Offer must include:
  1. **No electronic signatures allowed!** (Hand signatures only!)
  2. Buyer pre-approval letter (must include purchase price and loan amount)
  3. Buyer proof of funds for down payment
  4. Short sale contingency addendum
  5. Buyer's as-is addendum
  6. Short Sale Offer Instructions addendum signed by all parties

PLEASE REMEMBER: This is a short sale. Seller will receive no net proceeds from the sale. Therefore, seller will not contribute any expense to the transaction.

IMPORTANT – ABOUT OFFERS: Only one offer will be submitted to the lender for approval. All other offers will be back up offers and will only be submitted to lender if first offer is rejected or cancelled.

- Earnest money must be delivered to listing agent within 48 hours of seller's acceptance of purchase agreement. Earnest money will be deposited but will be refunded to buyer if seller's lender does not approve the short sale.

- The buyer is required to do their inspection **before** offer is presented to seller's lender. This allows buyer to amend their offered price as a result of the inspection if necessary. If buyer did inspection after short sale approval, they cannot amend purchase price due to inspection results so inspection is required at time of purchase agreement.

- All offers must include the following language on line 467: "Purchase agreement is subject to lender approval at terms acceptable to the seller."

- Closing date: Please be advised it will take a **minimum** of 60 days and can take 90 days or longer for lender to make a decision regarding the offer. Please use the following verbiage for the closing date: "**within 30 days of written lender approval."** Do not enter an actual date for the closing.

BUYER(S) INITIALS _______ BUYER'S AGENT INITIALS _______

- This is an AS-IS sale. No repairs will be made to the property by the seller or seller's lender. If either inspector or appraiser recommends or requires repairs, and buyer still wants to close on the property, all repairs will be at the expense of the buyer. If the property has been winterized, any dewinterizing for inspection, appraisal, or closing will be at the buyer's expense. In areas where a housing inspection is required by a governmental authority, please include the following language…"all code compliance issues along with any time lines (completion compliance) in the municipal inspection report, if any, will be assumed by and be the responsibility of the buyer." Any well and/or septic tests must be at the expense of the buyer.

- Remember, this is a short sale and seller's lender pays seller's closing costs. Seller or their lender will not pay for any of the following: well & septic tests, home warranties, appraiser's reinspection fees, lender processing fees, or lender work orders. Do not ask for them to be paid by seller on the purchase agreement.

- Seller concessions to buyer closing costs:
  Short sale lender will consider paying up to a maximum of 3% for FHA, VA, USDA, or minimum down payment conventional buyers. Short sale lender will pay $0 closing costs for 20% down conventional funding buyers or cash buyers.
  Do not ask for more than lender allowable seller concessions on the offer.

- Short sale contingency addendum:
  Line 15 date must allow 90 days for short sale approval
  Lines 21 and 25 CANNOT be checked. Buyer must deposit earnest money and remove inspection contingency BEFORE offer is submitted to lender.

- Follow-up process: A full short sale package will be compiled and submitted to seller's lender(s). This process can take a few days from the time that final signatures are received. Our short sales are negotiated by a local law firm with professional short sale negotiators on staff. It can take two to three weeks in many cases to get the first substantial progress update from the seller's lender. The law firm will provide listing agent with weekly updates from that time regarding the status of the short sale. Listing agent will forward those updates to buyer's agent upon receipt. **Please counsel your buyers that short sales take time but that they will be kept informed of the progress throughout the process.**

BUYER(S) INITIALS _______ BUYER'S AGENT INITIALS _______

- Title company: Seller's title company is highly experienced in the critical details regarding short sale closings. Buyer has the option to choose the title company of their choice. However, buyer is aware it is **likely in their best interests** to choose seller's title company for the following reasons:

If buyer chooses to use seller's title company to close their side of the transaction:

1. Seller's title company will order title work at time of purchase agreement. In the event of any title issues that would prohibit closing, it allows time for those issues to be resolved during the short sale approval time period. If title issues are discovered that cannot be resolved and prohibit closing, all parties will be informed promptly and purchase agreement can be canceled.
2. If there are any title fees for **buyer** not allowed to be paid from sale proceeds as determined by seller's lender, those fees will be waived by seller's title company.

If buyer chooses to use a title company other than seller's title company:

1. Title work will may not be ordered until after short sale approval. If there are title issues discovered that prohibit closing, it may be too late to resolve, closing may be delayed or canceled, and buyer has waited and lost 2-3 months in the process.
2. If buyer's title company charges any fees that are not approved to be paid from sale proceeds, they **will be at the expense of the buyer**. This is not an uncommon occurrence.
3. If buyer's title company or buyer's lender cannot close the transaction by deadline on short sale approval letter, any per diem costs imposed by seller's lender **will be at the expense of the buyer**.

Buyer initial one:

_____ Buyer chooses to use seller's title company to close their side of the transaction.

_____ Buyer chooses to use title company other than Seller's title company to close their side of the transaction

We, the buyer(s) and buyers' agent have read, understand, and agree to all terms of this addendum. We agree that this addendum supersedes all other terms of the purchase agreement.

Buyer signature ________________________________ Date _______________

Buyer signature ________________________________ Date _______________

Buyer's agent signature __________________________ Date _______________

Seller signature _________________________________ Date ______________

Seller signature _________________________________ Date ______________

Listing agent signature ___________________________ Date ______________