

SHORT SALE ADDENDUM TO AGREEMENT OF SALE

SHS

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

1 **PROPERTY** _____
2 **SELLER** _____
3 **BUYER** _____

4 1. This transaction is a potential Short Sale.
5 2. A Short Sale is a transaction in which Seller’s proceeds are less than the amount necessary to pay off liens secured by the property.
6 Examples of such liens include, but are not limited to, mortgages, home equity lines of credit, tax claims, homeowners’ association/con-
7 dominium fees, and legal judgments.

8 3. The Agreement of Sale is contingent upon Seller obtaining approval of the terms and conditions of the Agreement of Sale by each
9 lender or other lien holder being asked to accept a payoff less than the full amount due (“Creditor(s)”). Buyer and Seller acknowledge
10 that it may take an extended period of time to obtain Creditor approval of a Short Sale. Seller makes no representations about the
11 response time of Creditor(s).

12 **Notice Regarding Maintenance and Repair:** Buyer is advised that in a Short Sale, creditors will often retain the right to approve all
13 financial aspects of the transaction, including expenses for repairs or ongoing maintenance of the Property. Creditors may not approve
14 seller expenditures for these purposes, and Seller’s financial situation may not allow for these costs to be covered directly by Seller.

15 4. Seller will submit the executed Agreement of Sale and all required documentation to Creditor(s) within ____ DAYS of execution of
16 the Agreement of Sale.

17 **Notice Regarding Seller Documentation:** Seller may be required to provide documentation to Creditor(s) during the Short Sale
18 process. Some items that may be requested during a Short Sale include, but are not limited to: a hardship letter, hardship proof, financial
19 statements, bank statements, pay stubs, tax returns, list of repairs, listing agreement, agreement of sale, net sheet, and an MLS printout.

20 5. If Creditor(s) requires a change in the terms or conditions relating to the transaction as a condition of approving the Agreement of Sale,
21 Seller will communicate these requirements to Buyer in writing within ____ DAYS of receiving the requirements from Creditor(s).
22 Buyer and Seller are not bound by any changes proposed by Creditor(s) unless Buyer and Seller agree in writing to make those changes.
23 If either Buyer or Seller refuse to accept any changes required by Creditor(s) as a condition of approving the Agreement of Sale, Buyer
24 or Seller may terminate the Agreement by written notice to the other party, with all deposit monies returned to the Buyer according to
25 the terms of the Agreement of Sale.

26 6. (A) A mortgage application will be made:
27 within the time period stated in the Agreement of Sale.
28 within ____ days (7 if not specified) of receipt of written approval from Creditor(s).
29 (B) Inspections elected in the Agreement of Sale will be performed
30 within the time period stated in the Agreement of Sale.
31 within ____ days (10 if not specified) of Buyer’s receipt of written approval from Creditor(s).

32 7. If Creditor approval of the Agreement of Sale has not been received by _____, Buyer or Seller
33 may terminate the Agreement of Sale by written notice to the other party, with all deposit monies returned to the Buyer according to
34 the terms of the Agreement of Sale.

35 **All other terms and conditions of the Agreement of Sale remain unchanged and in full effect. Buyer and Seller are advised to**
36 **seek professional legal and financial advice before signing if either party desires such advice.**

37 **BUYER** _____ **DATE** _____
38 **BUYER** _____ **DATE** _____
39 **BUYER** _____ **DATE** _____
40 **SELLER** _____ **DATE** _____
41 **SELLER** _____ **DATE** _____
42 **SELLER** _____ **DATE** _____