



VIRGINIA ASSOCIATION OF REALTORS®



SHORT SALE ADDENDUM TO EXCLUSIVE AUTHORIZATION TO SELL

THIS SHORT SALE ADDENDUM is attached to and made a part of that Exclusive Authorization to Sell (the "Listing") dated as of the ___ day of ___, 20___, by and between _____ (the "Owner") and _____ (the "Broker") for the sale of that certain real property located in the County or City of _____, Virginia, described in the Listing as _____ (the "Property"), and provides as follows:

- 1. Short Sale: As used herein, the term short sale refers to a sale of the Property in which: (a) the purchase price, net of the costs of sale, is or might be less than the amount of all obligations secured by liens on the Property... (b) Owner does not have sufficient liquid assets to pay any resulting deficiencies; and (c) lien holders who will not be paid in full agree to release their liens upon payment of sums less than the amounts owed on the obligations secured by the liens.
2. Owner Acknowledgment: Owner acknowledges that the sale of the Property will or might be a short sale, and has agreed to make arrangements with Broker and prospective purchasers of the Property so as to accomplish a short sale and obtain the approval of lien holders to such short sale.
3. Owner Authorizations and Agreements: Owner hereby agrees as follows: (a) Owner authorizes Broker to communicate and negotiate directly with all lien holders on Owner's behalf and to obtain from lien holders information as to Owner's situation as to all relevant obligations... (b) Owner authorizes Broker, to the extent required by any multiple listing service into which the Property will be placed, to disclose to cooperating brokers that the sale of the Property is or could be a short sale. (c) Owner agrees to provide to Broker all information as to Owner's obligations, financial condition and affairs as may be required for Broker to formulate the optimal marketing strategy for the Property. (d) Owner agrees to provide to lien holders and/or Broker, and to authorize Broker to provide to lien holders, any information or documentation required to obtain short sale approval. (e) Owner authorizes Broker to provide to prospective buyers and their agents and to the settlement agent all mortgage and lien account payoff information. (f) Owner authorizes Broker to provide to lien holders any comparable sales information, broker price opinion or market analysis of the Property in Broker's possession.
4. Owner Acknowledgements: Owner acknowledges the following: (a) Owner has elected to pursue a short sale notwithstanding alternatives to a short sale, including loan modification, refinancing, bankruptcy, foreclosure or deed in lieu thereof, might be available to Owner. (b) A short sale might negatively affect Owner's credit rating or score. (c) Unless the underlying obligation is non-recourse to the Owner (in which case a creditor may satisfy an obligation only from the Property/collateral and not from personal recourse to Owner), the lien holder(s) are not obligated to

release Owner from any deficiency resulting from a short sale, and might require Owner to agree to repay such deficiency or some part thereof. In some cases, even if the lien holder releases Owner from such deficiency, Owner might have income tax consequences from receipt of such "forgiveness of debt" income. Owner acknowledges that Broker is not a legal or tax advisor, and that Owner should obtain such legal and financial counsel as Owner feels is appropriate in connection with the potential consequences of the sale. Broker encourages Owner to retain legal counsel to connection with this transaction.

- (d) Lien holders and lenders are not obligated to approve a short sale, are not always obligated to release Owner from further liability if a short sale is approved, and may impose additional requirements on the consideration of a short sale. Broker has no control over any such approval or over the time required to obtain necessary approvals.
- (e) Unless otherwise agreed by Owner and Broker, Broker will continue to market the Property until a ratified contract is fully approved by all necessary parties. Any subsequent offers will be presented to Owner for Owner's consideration, and, if appropriate, the consideration of Owner's lien holder(s). Broker will report the existence of a fully ratified contract to any multiple listing service in which the Property is listed in accordance with the rules of that multiple listing service.
- (f) Short sale transactions frequently take much longer to consummate (sometimes many weeks or months) than other transactions. Consequently, Owner understands that it is essential for Owner to cooperate with Broker fully and to respond promptly to all requests to furnish information and to take other actions required of Owner.
- (g) Broker is under no obligation to reduce the brokerage fee set forth in the Listing in order to obtain the approval of any lien holder to a short sale.

5. **Release.** Owner releases Broker from any and all liability for any loss, claim, obligation or liability resulting from: the inability to obtain a satisfactory contract and/or lien-holder approval in the time necessary to avoid foreclosure; the delay on the part of lien holder in considering or approving a short sale transaction; the failure or inability of Owner to qualify for short sale approval; or the failure of the transaction to reach settlement for any reason other than the willful and wrongful act or gross negligence of Broker.

6. Other terms: (Use this space for additional terms not dealt with elsewhere in this Addendum.)

Witness the following duly authorized signatures and seals:

OWNER

BROKER

_____/_____(SEAL)
Date Owner

_____/_____(SEAL)
Date Owner

BY: _____
NAME: _____
DATE: _____

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