



Short Sale Addendum to the Listing Agreement

(For use in Montgomery County and Washington, DC)

Property Address _____
 Unit _____ Subdivision/Project _____
 _____ City _____ State _____ Zip _____
 Known as Lot(s) _____ Block/Square _____ Tax ID# _____
 Parking Space(s) # _____ Storage Unit(s) # _____

1. SHORT SALE DEFINED: A Short Sale occurs when the Seller's net proceeds of sale are insufficient to pay off the liens on the Property and the Seller is unable to bring sufficient funds to settlement to satisfy the holders of the liens (Creditors). As such, Seller must receive approval from Creditors to accept Seller's net proceeds of sale in exchange for releasing the liens.

2. SHORT SALE CONSIDERATIONS:

A. Credit and Tax Considerations: A Short Sale may adversely affect the Seller's credit score. If Creditors agree to a Short Sale, the debt may not be forgiven entirely, which requires the Seller to pay the difference as a personal obligation. If the lien is insured by FHA or guaranteed by VA, Seller may be required to pay the difference. A Short Sale in which a portion of the debt is forgiven may be considered a relief of debt and may be treated as income for tax purposes. Seller is advised to consult independent legal counsel and a professional tax advisor prior to entering into a contract that may result in a Short Sale.

B. Options: Seller acknowledges there may be options other than a Short Sale, such as loan modification, revised repayment plan, refinance, or entry into a lender's loan mitigation program. Seller is advised to explore all available options with Creditors.

3. SELLER ACKNOWLEDGMENT: Seller acknowledges that a sale of this property may result in a Short Sale. Seller agrees to cooperate with Broker and Creditors to obtain information regarding the amount owed on the Property. Seller shall complete all necessary authorization and release forms required by Creditors.

4. APPROVAL PROCESS: Obtaining approval of Creditors for a Short Sale involves documentation similar to that required for the original loan application. The Seller must generally establish that the Seller is financially incapable of paying the Creditors. The Seller agrees to promptly submit to Creditors all requested documentation, including but not limited to W-2 forms, bank statements, tax returns, hardship letter stating the reason the Creditors should consider granting a Short Sale, and other requested financial documents disclosing income, assets, and debt. The Seller acknowledges that Creditors' approval of a Short Sale may take weeks or months to obtain, if approved at all. Broker has no control over Creditors' decisions.

5. AUTHORITY TO DISCLOSE EXISTENCE OF SHORT SALE: Seller is advised that prospective Buyers, Brokers and Agents are entitled to be advised that this Property is or may be a Short Sale and is subject to third party approval. Seller hereby authorizes Broker to include the disclosure of this information in the Multiple Listing Service, any advertising, as well as in any contract of sale.

Disclaimer: Seller acknowledges that Broker cannot provide legal, tax, or financial advice. Broker may facilitate the transaction through communication with Creditors; however, Broker will not negotiate the terms and conditions of the Short Sale on behalf of the Seller. Seller or Seller's legal/financial representative is solely responsible for negotiating the payoff of debts. Seller agrees to hold harmless Broker, its officers, Agents, and employees from any liability that may arise from broker's facilitation of this transaction.

 Seller Date

 Seller Date

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