



## 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. Buyer pre-approval letter  
(pre-approval letter **must include** purchase price and loan amount)
  2. Copy of earnest money check
  3. Short sale contingency addendum
  4. Buyer's as-is addendum
  5. Offer instruction 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 72 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.
- It is in buyer's best interests to do inspection at time of purchase agreement to confirm offered price is based on known condition of the property. Allows buyer to amend their offered price as a result of the inspection, if necessary, prior to offer being submitted to seller's lender. If buyer does inspection after short sale approval, it is too late to amend purchase price due to inspection results. Seller's lender will not approved price reduction after short sale approval was issued.
- All offers must include the following language at the top of page 7: "Purchase agreement is subject to lender approval at terms acceptable to the seller."
- Closing date: Please be advised it will take a minimum of 30 days and can take 60 to 90 days or even 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 a date for a closing. Please do not submit an offer if buyers are not willing to wait the normal time frame for lender approval.

**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 on the purchase agreement.
- Financing addendum:  
\_\_\_\_ Seller's mortgage is conventional. Seller's lender will allow a **MAXIMUM** of 3% seller concessions to buyer's closing costs.  
\_\_\_\_ Seller's mortgage is FHA. Seller's lender will allow **MAXIMUM** of 1% seller concessions to FHA buyer's closing costs and **ZERO %** seller concessions to conventional or VA buyer closing costs.  
**Do not ask for more than lender allowable seller concessions on the purchase agreement.**
- Short sale contingency addendum:  
Line 15 date must allow 90 days for short sale approval  
Line 30 must state "seller **SHALL** have the right to continue to offer property...."
- 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 buyer's agent will receive consistent updates from that time regarding the status of the short sale. **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. Buyer will be charged a **discounted closing fee of \$150.00**.
2. 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 immediately and purchase agreement can be canceled.
3. 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 not be ordered until after short sale approval. If there are title issues discovered that prohibit closing, it will likely 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

**BUYER(S) INITIALS \_\_\_\_\_ BUYER'S AGENT INITIALS \_\_\_\_\_**

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 \_\_\_\_\_