



**Short Sale Addendum to Sales Contract**  
*(For use in Montgomery County and Washington, DC)*

The Contract of Sale dated \_\_\_\_\_, Address \_\_\_\_\_  
 City \_\_\_\_\_, State \_\_\_\_\_ Zip \_\_\_\_\_ between Seller  
 \_\_\_\_\_ and Buyer  
 \_\_\_\_\_ is hereby  
 amended by the incorporation of this Addendum, which shall supersede any provisions to the contrary in this Contract.

**1. DEFINITION:** A Short Sale occurs when a 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 those liens (Creditors). As such, Seller must receive written approval from Creditors to accept Seller's net proceeds of the sale in exchange for releasing the liens and any deficiency balances ("Written Approvals"). Seller may, at Seller's sole option, accept approvals which do not fully release deficiency balances, in which event such approvals shall be deemed Written Approvals.

**2. SHORT SALE CONTINGENCY:** This Contract is contingent until 9:00 p.m. on the \_\_\_\_\_ day after Date Ratification ("Deadline") for Seller to obtain and Deliver copies of Written Approvals, along with GCAAR Form #200, to Buyer ("Notice of Written Approvals"). In the event Seller has not delivered Notice of Written Approvals to Buyer by the Deadline, this contingency shall continue unless:

- A.** Buyer gives Notice to Seller declaring the Contract void. This Notice may be given by Buyer at any time after the Deadline. If Buyer Delivers said Notice, Seller must Deliver Notice of Written Approvals by 9:00 p.m. on the third day following Notice or this Contract shall become void.
- B.** Seller gives Notice to Buyer declaring this Contract void. This Notice may be given by Seller at any time after the Deadline if Seller has been unable to obtain the Written Approvals.

In the event that Seller receives a written denial of his/her application for Written Approvals from a Creditor and Delivers a copy of such written denial to Buyer, then at any time thereafter either Seller or Buyer may declare this Contract void.

In the event that the Written Approvals received by Seller contain terms different from the terms of this Contract (including a settlement date earlier than agreed to by the parties), Seller shall request that the Contract be amended to conform to such different terms at the same time that Seller Delivers Notice of Written Approvals to Buyer. In the event that Buyer does not Deliver Notice to Seller accepting such different terms by 9 p.m. on the third day following Delivery of Notice of Written Approvals, this Contract shall become void.

**3. OTHER CONTINGENCIES:** All other contingencies in this Contract for Buyer or Seller shall begin either:

**A.** as of the date of Delivery of Notice of Written Approvals

OR

**B.** as of the Date of Ratification of the Contract.

©2009, The Greater Capital Area Association of REALTORS®, Inc.

This recommended form is the property of the Greater Capital Area Association of REALTORS®, Inc. and is for use by members only.



4. **SETTLEMENT DATE:** Settlement will take place \_\_\_\_\_ days after **the latter of:**

- A. the date Seller Delivers Notice of Written Approvals to Buyer; or
- B. the date all contingencies in this Contract are satisfied or removed.

5. **ACKNOWLEDGMENTS AND AGREEMENTS:**

The parties acknowledge and agree to the following in the event these circumstances apply to this transaction:

- A. Any expenses incurred by Buyer will not be reimbursed in the event Contract becomes void pursuant to this Addendum.
- B. Broker and Agents do not represent Creditors and are not authorized to negotiate with Seller's Creditors in this transaction. Seller is strongly advised to seek professional advice with the negotiations as important legal, credit and tax implications are likely to arise from a short sale.
- C. Creditors will not sign this Contract or any Addendum.
- D. The Property shall be removed from "Active" status in the Multiple Listing System and only back up offers may be accepted.
- E. The earnest money shall be deposited promptly as defined by statute, unless otherwise agreed upon in this Contract. If the property is located in Maryland and a real estate broker is the escrow agent, the earnest money must be deposited within 7 business days following contract ratification.
- F. At any time during the short sale process a Creditor may exercise its rights to winterize the property and/or change the locks without notification to Seller.
- G. All parties recognize that all extensions of the settlement date are subject to the Creditors' discretion.

Seller		Date		Buyer		Date
--------	--	------	--	-------	--	------

Seller		Date		Buyer		Date
--------	--	------	--	-------	--	------

©2009, The Greater Capital Area Association of REALTORS®, Inc.

This recommended form is the property of the Greater Capital Area Association of REALTORS®, Inc. and is for use by members only.