

Short Sale Listing Addendum

A product of the

CINCINNATI AREA BOARD OF REALTORS®, INC.
Approved by Board Legal Counsel for exclusive use by REALTORS®
This is a legally binding contract. If not understood, seek legal advice. For real estate advice, consult a REALTOR®.



THIS ADDENDUM IS ONLY TO BE USED IN CONNECTION WITH A SHORT SALE REQUIRING THIRD-PARTY APPROVAL

The undersigned Seller, having executed an Exclusive Right to Sell contract ("Contract") dated _____ 20____ for the following described real estate having an address of _____ ("Real Estate"), County of _____, State of _____, Zip code _____,

further agree to the terms of this Addendum, which are hereby incorporated as part of the Contract, and to the extent the terms of this Addendum modify or conflict with any provisions of the Contract, the terms of this Addendum supersede the terms of the Contract.

1. SHORT SALE LISTING: REALTOR® has advised Seller that the amount of money necessary to pay in full all loans and other debt or obligations that are secured by a lien(s) on the Real Estate (loans/liens), as well as REALTOR® commissions and other costs of sale, may exceed the current market value of the Real Estate. Accordingly, in order to sell the Real Estate, Seller may be required to: (1) deposit his/her own funds into escrow, (2) obtain the agreement of secured lender(s) or creditor(s) (collectively referred to as "Third Party(ies)") to accept, as payment in full, less money than they are owed ("Short Sale"), and/or (3) pay back some or all of the shortage after the sale is complete, as a personal obligation. Any sale of the Real Estate will be contingent upon Third Party approval.

2. TAX CONSEQUENCES: REALTOR® has advised Seller that if Third Parties agree to accept less than full payment of amount owed, the difference may result in taxable income to Seller, even though Seller does not receive any cash proceeds from the sale. Seller may also be taxed on the gain in value of the Real Estate from the date of Seller's purchase to the date of sale, regardless of the amount of any existing loans/liens.

3. CREDIT CONSEQUENCES: A Short Sale may have a negative impact of Seller's credit rating, even if a foreclosure process has not officially begun or once begun is not completed.

4. THIRD PARTY CONSIDERATION: Seller acknowledges that a Short Sale is subject to Third Party approval. Third Parties are not obligated to accept a Short Sale. Third Parties may impose conditions prior to consideration or approval of a Short Sale, such as obtaining a new appraisal, or requiring Seller to demonstrate hardship or provide copies of tax returns, pay stubs, assets, or other financial information. Third Parties may inform the IRS or credit reporting companies of the payment shortage. REALTOR® has no control over Third Party's decisions. Accordingly, Seller agrees to hold REALTOR® harmless for acts or omissions of Third Parties.

5. FORECLOSURE PROCEEDINGS CONTINUE: The parties acknowledge and agree that REALTOR® has no control over foreclosure proceedings as short sale marketing and negotiation are unrelated to the lender's foreclosure process, and that this Addendum does not have any legal effect on any foreclosure proceedings involving the Real Estate.

6. SELLER COOPERATION: Seller agrees to cooperate in negotiations with the Third Parties promptly upon request by REALTOR® and/or any closing attorney or closing agent involved in handling settlement and closing on any sale of the Real Estate. Seller's cooperation shall include, but shall not be limited to, providing: (1) explanation, in writing, of financial circumstances, (2) true copies of bank records and other financial data and assets, as may be requested by the Third Parties, (3) access to the Real Estate for appraisals and/or inspections and (4) such other assistance as may be deemed necessary by the closing attorney or closing agent involved in handling settlement and closing on any sale of the Real Estate.

7. REALTOR AUTHORITY: Seller authorizes REALTOR® to: (a) market the Real Estate for sale, (b) contact Third Parties concerning Third Party's approval of a Short Sale and Seller agrees to give REALTOR® any necessary information to negotiate with Third Parties, and (c) advertise in the MLS and other advertising medium that the Real Estate transfer, sales price, and payment of commissions are subject to Third Party approval. If Third Party will not cooperate, REALTOR® may cancel the Exclusive Right to Sell contract.

8. OTHER OPTIONS: REALTOR® has advised Seller that other options, such as, but not limited to, negotiating a modification of existing loans/liens, refinancing, bankruptcy, foreclosure, or deed in lieu of foreclosure may be more appropriate for Seller. Seller is advised to explore such options with Third Parties, to determine appropriateness for Seller. Seller agrees to notify REALTOR® if Seller decides to pursue other options.

9. LEGAL AND TAX ADVICE: REALTOR® has advised Seller to consult with legal and tax counsel, prior to signing this Contract, regarding the decision to seek a Short Sale. REALTOR® cannot give legal or tax advice.

SELLER _____ SELLER _____ DATE/TIME _____
(Print Seller's Name) (Seller's Signature)

SELLER _____ SELLER _____ DATE/TIME _____
(Print Seller's Name) (Seller's Signature)

For: _____
(Print Listing REALTOR® Firm)

By: _____
(Print Listing Agent)

(Listing Agent's Office Phone) (Listing Agent's Other Phone)

(Listing Agent's Signature / Date / Time)

(Listing Agent's Other Contact Information)

(Print Broker/Office Manager's Name)