



The following terms are hereby incorporated into and made a part of the Listing Agreement between \_\_\_\_\_ ("BROKER")  
 and \_\_\_\_\_ ("SELLER") for  
 Property located at \_\_\_\_\_.

**To the extent any of the terms of the Addendum conflict with any provision of the Listing Agreement, the terms of the Addendum shall control.**

1. A **SHORT SALE** typically occurs when the SELLER's sales proceeds after payment of customary closing costs from the sale of real property **are insufficient** to pay the outstanding encumbrances (mortgages and other liens) in full at closing, and **SELLER does not have funds available** to pay the deficiency. Generally, a **SHORT SALE SELLER** is in default of the encumbrances and is able to document the financial inability to meet ongoing repayment obligations. Lender, other encumbrance holders, and/or court approval may be required.
2. A **PRE-FORECLOSURE** typically occurs when the SELLER **is NOT current** on the payment of the encumbrances on the Property and the encumbrance holder has provided notice of possible foreclosure proceedings or has already begun foreclosure proceedings. Lender, other encumbrance holders, and/or court approval may be required.
3. Any sales agreement entered into by SELLER for the sale of the Property shall include a contingency for (a) approval of the purchase price, the HUD-1 settlement statement, and all other terms of the sales agreement by SELLER's lenders, other encumbrance holders, and/or court, and (b) the encumbrance holders' written agreement to accept a payoff which is less than the balance due and furnish a release and satisfaction of encumbrances upon receipt of the discounted payoff amounts.
4. SELLER acknowledges that there are no promises or representations regarding whether encumbrance holders will agree to a short sale or on what terms they may agree to a short sale.

**NOTICE: IN A SHORT SALE TRANSACTION, SELLER MAY HAVE A CONTINUING FINANCIAL OBLIGATION TO SELLER'S ENCUMBRANCE HOLDERS AFTER CLOSING INCLUDING, BUT NOT LIMITED TO, EXECUTION OF A PROMISSORY NOTE IN FAVOR OF THE ENCUMBRANCE HOLDER(S) OR LIABILITY FOR A DEFICIENCY JUDGMENT. SELLER IS ADVISED TO SEEK COMPETENT LEGAL AND FINANCIAL ADVICE CONCERNING SELLER'S LEGAL, TAX AND FINANCIAL OBLIGATIONS. THE FACT THAT THIS SHORT SALE MAY BE CONSIDERED OR APPROVED BY ENCUMBRANCE HOLDERS DOES NOT AUTOMATICALLY MEAN THAT ANY FORECLOSURE PROCESS HAS BEEN SUSPENDED OR DELAYED.**

5. SELLER authorizes BROKER and as appropriate closing attorney/settlement agent to:
  - (a) Privately market and disclose the Property as a **SHORT SALE** and/or **PRE-FORECLOSURE** Property to NEFMLS brokers in accordance with NEFMLS rules and regulations, and/or to other non-NEFMLS Brokers;
  - (b) Include the contingencies set forth in Paragraph 3 above in any sales agreement entered into by SELLER;
  - (c) Contact encumbrance holder's loss mitigation, collections, or other appropriate departments and/or the foreclosure attorney to obtain loan and/or lien status, account, estoppel, payoff, and related information, and to otherwise communicate directly with them to facilitate their approval of the **SHORT SALE** and/or **PRE-FORECLOSURE** transaction, and provide them with estimated and final HUD-1 Settlement Statements. SELLER shall execute all other written authorizations to release information required by the encumbrance holders to perform this function;
  - (d) Provide comparables, BROKER's price opinions (generally consisting of information regarding comparable properties in the same community, general condition of the community, and condition of the Property relative to other properties in the community), NEFMLS and other information to document the current market value of the Property;
  - (e) Furnish any and all encumbrance account and payoff information to prospective purchasers, their cooperating brokers, and the closing attorney/settlement agent;

