

**SHORT SALES ADDENDUM TO EXCLUSIVE LISTING AGREEMENTS**

THIS ADDENDUM IS HEREBY MADE A PART OF THE ANNEXED EXCLUSIVE LISTING AGREEMENT BY AND BETWEEN

AND  
OWNER(S)/SELLER(S): \_\_\_\_\_  
AGENT: \_\_\_\_\_

FOR THE SALE OF PROPERTY KNOWN AS \_\_\_\_\_ NEW YORK (THE "PROPERTY").

**YOU ARE ENCOURAGED TO READ THIS CAREFULLY**

1. **SHORT SALE LISTING:** Agent has advised Owner that the amount of money necessary to pay in full all loans, mortgages and other debts or obligations that are secured by a lien(s), including any IRS liens, on the Property ("Loans/Liens") as well as Agent commissions and other costs of sale may exceed the current market value of the Property. Accordingly, in order to sell the Property, Owner may be required to:

- (a) deposit OWNER'S own funds into escrow; and/or
- (b) obtain the agreement of secured lender(s) or creditors(s) ("Lender") to accept, as payment in full, less money than is owed ("Short Sale"); and/or
- (c) pay back some or all of the shortage after the sale is complete.

Agent has advised Owner 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 Owner. Any sale of the Property will be contingent upon Lender approval.

2. **TAX CONSEQUENCES:** Agent has advised Owner that if Lender agrees to accept less than full payment, the difference may result in taxable income to Owner, even though the Owner does not receive any cash proceeds from the sale. Owner may also be taxed on the gain in value of the Property from the date of Owner's purchase to the date of Owner's sale, regardless of the amount of any existing Loans/Liens.

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

4. **LENDER CONSIDERATIONS:** Owner acknowledges that a Short Sale is subject to Lender approval. Lender is not obligated to accept a Short Sale. Lender may impose conditions prior to consideration or approval of a Short Sale, such as obtaining a new appraisal, or requiring Owner to demonstrate hardship or provide copies of tax returns, pay stubs, assets or other financial information. Lender may inform the Internal Revenue Service or credit reporting companies of the payment shortage. Agent has no control over Lender's decisions. Accordingly, Owner agrees to hold Agent harmless for acts or omissions of Lender.

5. **AGENT AUTHORITY:** Owner authorizes Agent to:

- (a) market the Property for sale; and
- (b) contact Lender concerning Lender's approval of a Short Sale and Owner agrees to give to Agent any and all necessary information to negotiate with Lender; and
- (c) advertise in the MLS and other advertising media that the Property transfer, sales price and payment of commissions are subject to Lender approval.

**If Lender will not cooperate, Agent may cancel the listing agreement.**

6. **TAX AND LEGAL ADVICE:** Agent has advised Owner to consult with legal and tax counsel prior to signing this listing agreement, regarding the decision to seek a Short Sale. Agent cannot give legal or tax advice. Agent cannot and will not recommend or suggest that Owner or Seller cease to make mortgage payments which may impact Owner's ability to accomplish a Short Sale or otherwise affect Owner's creditworthiness.

7. Whenever the term "Owner" or "Seller" is utilized herein, such term shall be deemed to include the plural of such designation, as the context or sense shall require.

By signing below, Owner(s)/Seller(s) acknowledge that Owner(s)/Seller(s) has read, understands and has received a copy of this Short Sale Listing Addendum.

AGENT: \_\_\_\_\_  
BY: \_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

DATE: \_\_\_\_\_, 20\_\_\_\_

OWNER/SELLER: \_\_\_\_\_

DATE: \_\_\_\_\_, 20\_\_\_\_

OWNER/SELLER: \_\_\_\_\_

DATE: \_\_\_\_\_, 20\_\_\_\_