

SHORT SALE CONTINGENCY ADDENDUM TO REGIONAL SALES CONTRACT

This Addendum is made on _____, to a Sales Contract (“Contract”) dated _____ between _____ (“Purchaser”) and _____ (“Seller”) for the purchase and sale of the Property: _____

1. This Contract constitutes a “short sale” of the Property.
2. **SHORT-SALE DEFINED:** The term “short sale” is used to describe a sale where the debt owing against a property combined with the costs associated with the sale exceed the property’s market value.

3. SELLER REQUIRES:

- A. the creditor(s)’ approval to sell the Property under the terms of this Contract; and
- B. the creditor(s)’ agreement to accept Seller’s net proceeds in full satisfaction of Seller’s obligation and liability under the Deed(s) of Trust and to provide Seller with a release of lien in recordable form at the time of Settlement.

4. Seller agrees to cooperate with Broker, Settlement Agent and creditor(s) to determine the amount of debt secured by or owed on the Property, including, but not limited to, deeds of trust, home equity loans, homeowner or condominium association fees, property taxes and any other liens affecting the title to the Property.

5. Seller must provide Purchaser with written evidence of the creditor(s)’ approval as required under Paragraph 3 of this addendum by _____ (“Short Sale Deadline”). Such written evidence, if received by Seller, shall be delivered to Purchaser in a timely manner.

- A. If Seller has not delivered written evidence of the creditor(s)’ approval by the Short Sale Deadline, Purchaser may deliver notice to Seller of Purchaser’s intent to void the Contract. Seller shall have three (3) business days from receipt such Notice to deliver written evidence of creditor(s)’ approval to the Purchaser, or this Contract will be void.
- B. At anytime, if Seller receives a written rejection of the short sale from their creditor(s) and delivers a copy of the written rejection to Purchaser, this Contract will be void.

Buyer and Seller acknowledge that Settlement is subject to creditor(s)’ approval of the net proceeds, which may not be finalized until settlement.

6. “Seller’s net proceeds” means that the Sales Price is less the Seller’s Expenses under Paragraph 21 of the Contract and Seller’s obligation to pay any brokerage fees under Paragraph 22 of the Contract.

7. If Seller cannot obtain third party creditor(s)' approval, Seller will immediately deliver written notice to Purchaser along with an executed Release of Contract directing that the Deposit be returned to Purchaser.

8. Timeframes for Inspections, Appraisal, and Financing Contingencies

A. Timeframes for all inspections referenced in this Contract, if applicable, shall be measured from:

- Date of Contract ratification **OR**
- Date Seller delivers written evidence of creditor(s)' approval to Purchaser

B. Timeframe for Appraisal Contingency, if applicable, shall be measured from:

- Date of Contract ratification **OR**
- Date Seller delivers written evidence of creditor(s)' approval to Purchaser

C. Timeframe for Financing Contingency, if applicable, shall be measured from:

- Date of Contract ratification **OR**
- Date Seller delivers written evidence of creditor(s)' approval to Purchaser

9. **SETTLEMENT DATE:** If specified, the settlement timeframe below will supersede the Settlement Date contained in the Contract.

Settlement will be _____ Days after the date Seller delivers written evidence of creditor(s)' approval to Purchaser.

SELLER:

PURCHASER:

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

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