

# GASTINEAU REALTY GROUP, INC.

## Short Sale Disclosure & Agreement

Property Address: \_\_\_\_\_

Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

**IMPORTANT:** PER WRITTEN INSTRUCTIONS FROM SELLER, THIS UNALTERED DOCUMENT MUST BE SUBMITTED WITH ALL OFFERS TO PURCHASE. NO EXCEPTIONS.

This disclosure will serve as an independent agreement and relates to the contract executed by the buyer and seller named above. It is expressly understood by all parties that the seller owes more than the amount of the contract and is unable to bring cash to closing; therefore the sale will require the approval of the seller's lender(s).

Please note that the property will continue to be on the market until the lender accepts an offer and the property will be listed on MLS as undergoing a short sale.

Following are some important issues about a short sale:

1. After the lender receives the short sale packet, the lender may require at least 30-45 business days to approve the short sale. After approval, the sale must close within lender approved time frame, typically 30 calendar days.
2. The seller will receive no cash from this transaction. Any funds usually due to the seller will be paid to the lender.
3. The seller has no additional cash and will be unable to pay for any closing costs, such as the buyer's appraisal or home warranty. Should the buyer desire a home warranty they are free to purchase one at closing.
4. The seller may be unable to pay for maintaining the property. The property will remain in the current condition through closing; the seller will not be able to make any repairs to the property.
5. The seller's forgiven or cancelled debt may be taxable income. The seller should discuss this matter with a tax professional. This has no bearing whatsoever on the buyer.
6. In some cases the lender may pursue a deficiency judgment against the seller for any funds not collected at closing. This has no bearing whatsoever on the buyer.

Buyer agrees that at the time of closing the buyer will pay Gastineau Realty Group a loss mitigation fee of \$950, of which is used to offset the cost of preparing, presenting and negotiating the buyers offer with the lender(s). Title company is instructed to add this fee to the HUD at closing, as a "lien release" fee, payable to Gastineau Realty Group. This fee is only due and payable at closing. If property fails to close escrow the buyer is under no obligation to pay this fee.

Since the lender is taking less than what is owed to them in a short sale, the lender in some cases may negotiate a lower real estate commission percentage. Buyers Agent acknowledges and agrees to accept any lender required changes to the commission rate of which will be provided by the lender at the time of the lender's approval of short sale. In the event the lender does not allow the full commission being charged by Gastineau Realty Group the Buyers Agent agrees to split 50/50 the total real estate commission earned. Buyer Agent agrees to hold Gastineau Realty Group harmless in the event the commission is reduced to less than what is advertised in MLS. Gastineau Realty Group will negotiate with lender in good faith to obtain the highest commission allowable.

By signing this disclosure, you acknowledge that you have read and agree to the terms as detailed above.

_____ Buyer	_____ Date	_____ Buyer	_____ Date
_____ Buyers Agent	_____ Date	_____ Listing Agent	_____ Date
_____ Seller	_____ Date	_____ Seller	_____ Date