

Keller Williams Realty

Short Sale Disclosure

Short Sale Procedures for all Parties to this Transaction

Purchasing a property which requires the seller's lender approval (short sale) is very complex. Yes, we are working with the seller; however, the lender has the last word due to the fact they are being asked to accept less than what may be currently owed to them.

The following is a partial list of potential situations which may, and often do, affect the sale. Please review these items with the buyers, sellers, agents and brokers involved. Be advised this process will take, at a very minimum, 30 days after the lender receives the complete short-sale packet. You and your client will need patience with this process as the lender has a time frame and procedures which must be adhered to for a successful transaction.

1. The seller will receive no proceeds from this transaction. Any additional funds usually due to the seller from escrow accounts or prorations will be paid to the lender being affected by this short sale.
2. The seller has no additional cash and has provided required documentation of such to the lender for consideration and qualification of this short sale.
3. Every effort will be made to have the seller provide all required HOA documents. Since the seller does not have the means to provide this documentation, the buyer is requested to pay for the HOA documentation, should a fee exist.
4. The actual sale price of this transaction will be determined upon receipt of an acceptable "net proceeds" required notification from the seller's lender and adding the lender's acceptable costs to that bottom line.
5. The lender's provided closing date is firm. There will be a monetary increase placed on the buyer to compensate for additional interest or fees incurred by the lender for closing after the required date.

6. The lender will not pay for buyer's appraisal, home warranty or any other buyer's closing costs.
7. Any required upfront payments will be paid by the buyer.
8. Transactions will require a minimum of 30 days. A 45 day transaction period is more likely.
9. Seller has not been able to pay for the cost of maintaining the property. Therefore, the buyer will bear any cost and/or responsibility to have utilities turned on to conduct any inspections the buyer shall deem necessary to complete their due diligence requirements.
10. As stated on the MLS, we are giving a 3% buyer broker co-op fee from a total 6% commission fee agreed to by the seller in the listing agreement. Due to the fact the lender has to take less than what is owed, a request from the lender to renegotiate and lower the total commission rate to 5% may occur. The renegotiation of the total commission rate paid is an inherent part of successfully working out a short sale transaction. Any reduction to the total commission fee shall result in 50% of total commission being paid at the close of escrow to Keller Williams/Tamara Heidel, facilitating negotiator of the short sale; and 50% to _____ / _____.

Finally, if the lender, as part of the transaction, forgives a portion of the debt, the amount forgiven is income to the seller. The IRS may not assess the tax for a year or even more after the closing. The tax code provides such relief when debt is shown as taxable income.

Since there is a possibility of legal or tax consequences in your sale, it is recommended you discuss the matter with your attorney or accountant.

The undersigned parties acknowledge receipt of this disclosure and agree to hold Keller Williams, its broker, and any other agents and/or brokers, harmless and free of liability concerning this matter.

We have read and agree to the Short Sale Disclosure. Any changes to the total commission rate will be announced at the time of the final approval from the lender's Loss Mitigation Department approving the short sale.

Buyer's Signature Date

Buyer's Signature Date

Buyer's Agent's Signature Date

Buyer's Broker's Signature Date

Buyer's Lender's Signature Date

Seller's Signature Date

Seller's Signature Date

If you have any questions regarding this disclosure, please feel free to contact Tamara Heidel at (702) 561-4369.