SHORT SALE ADDENDUM TO LISTING CONTRACT

Document updated: August 2010



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please



	HEAL SOLUTIONS. HEALTON-SUCCESS.
	1. Seller:
	2. Broker:
	3. Premises Address:
	4. Date:
5.	Seller acknowledges that Broker is not qualified to provide financial, legal, or tax advice regarding a short sale transaction.
6.	Therefore, the Seller is advised to obtain professional tax advice and consult independent legal counsel immediately
7.	regarding the tax implications and advisability of entering into a short sale agreement. Seller is advised to consult the
8.	Arizona Department of Real Estate Short Sale Seller Advisory provided by AAR at www.aaronline.com to assist Seller in
9.	exploring options other than a short sale and determining the advisability of entering into a short sale agreement.
10.	(SELLER'S INITIALS REQUIRED) SELLER SELLER
11.	
12.	a property than the property's value. In a loan default situation, (pre-foreclosure) the creditor(s) may be willing to agree to allow
13.	
14.	Seller acknowledges that there may be disadvantages to a short sale.
15.	CREDIT AND CREDITOR CONSIDERATIONS: A short sale may adversely affect the Seller's credit score. Further, even if
16.	
17.	to pay the difference as a personal obligation. If the loan is guaranteed by the FHA or VA, these entities may also require
18.	payment of the difference. Seller is advised to be certain of the terms of any short sale before making a decision, and
19.	obtain any debt forgiveness agreement in writing.
20	TAX CONSIDERATIONS: A short sale in which a portion of the debt is forgiven is considered a relief of debt and may be
20. 21.	treated as income for tax purposes. A creditor who forgives a debt may submit a 1099 form to the IRS indicating the amount
22.	
23.	DETERMINING THE AMOUNT OWED: Seller agrees to disclose all liens encumbering the Premises and to cooperate with
24.	Broker(s), escrow company, and creditor(s) to determine the amount of debt owed on the property, including but not limited to,
25.	purchase money loans, home equity loans, homeowner's association fees, property taxes and other tax liens.
26.	OBTAINING CREDITOR APPROVAL: Obtaining creditor(s) approval of a short sale involves documentation similar to
27.	
28.	of paying the loan(s). The Seller agrees to promptly submit to creditor(s) all requested documentation, including W-2 forms
29.	from employers, bank statements, tax returns, "hardship letter" (stating the reason the creditor(s) should consider granting
30.	a short sale) and other requested financial documents outlining income and debt. The Seller acknowledges that it may take
31.	
32.	directly with Broker(s).
33.	OTHER OPTIONS: Seller is advised to explore options with creditors other than a short sale, such as loan modification, revised
34.	repayment plan, refinance or entry into a lender(s) loan mitigation program, if available.
35.	Seller agrees to notify Broker if Seller decides to pursue other options.
36.	SAMPLE
	^ SELLER SIGNATURE MO/DA/YR
27	SAMPLE
37.	^ FIRM NAME (BROKER)