



THREE RIVERS ASSOCIATION OF REALTORS®
SHORT SALE SUPPLEMENT TO EXCLUSIVE RIGHT-TO-SELL AGREEMENT



This document has legal consequences. Consult your attorney with any questions prior to signing.

Property Address: _____

Marketing Agreement between the undersigned Seller(s) and Brokerage dated: _____

The use of any capitalized terms not otherwise defined herein shall be given the same meaning as set forth in the Marketing Agreement to which this Supplement is attached. To the extent not specifically amended hereby, the terms and conditions of the Marketing Agreement previously entered into between the parties shall remain in full force and effect; provided, however, in the event of any inconsistency between the terms set forth herein and the terms set for in the Marketing Agreement, the terms set forth herein shall control.

1. Definitions. Seller has advised Brokerage that the sale of the Property may result in a “short sale”. A “short sale” is defined as a situation where the Seller’s net proceeds, after payment of all applicable closing costs and other charges payable by Seller from the sale of the Property, are insufficient to pay the balance of any outstanding mortgage loan and/or other secured lien in full at closing unless a Lien Holder provides a full release in exchange for accepting payment in an amount that is less than the amount actually owed to the Lien Holder. For purposes of this Marketing Agreement, a **“Lien Holder”** is collectively defined as anyone who is owed money by Seller where such debt is secured by a lien against the Property. A Lien Holder is usually a mortgage lender, but may also include any other secured creditor, including without limitation a bankruptcy trustee, federal, state and local taxing authorities (e.g., the IRS or the Illinois Department of Revenue) judgment creditors and private parties.

2. Sale Contract Contingency. Any sale contract accepted by Seller should be contingent upon the written agreement of one or more Lien Holders to accept less than the amount(s) actually owed, and to provide written agreement on or before the scheduled closing date for the full release and satisfaction of its lien(s). Seller authorizes Brokerage to include Short Sale Addendum to Sales Contract in any offer to sell the Property.

3. Disclaimer. Seller may not receive any net proceeds at closing and may owe additional monies at closing and/or thereafter. Seller further acknowledges that forgiveness of debt by Lien Holder(s) may result in taxable income to Seller. A short sale may negatively impact Seller’s credit rating and Seller acknowledges that other options, including but not limited to a loan modification or repayment plan, refinancing with a different lender, filing bankruptcy, allowing a foreclosure to proceed or negotiating a deed in lieu thereof, may be appropriate for Seller. **Seller should obtain competent legal advice regarding such options, since Illinois law prohibits Brokerage or Broker from providing legal advice.**

4. Advertising. Seller authorizes Brokerage to market the Property as a “short sale” or possible “pre-foreclosure property” in the MLS and other advertising media, to contact representatives and employees of the Lien Holder(s) to discuss the terms and status of Seller’s loan(s) and facilitate a short sale, and to share such information with prospective buyers and their agents.

5. Information and Cooperation. Seller agrees to provide Brokerage, Broker and Lien Holder(s) any information necessary to negotiate a short sale upon request (including, but not limited to): (a) Executed Exclusive Right to Sell Agreement & Sale Contract; (b) Authorization Letter(s); (c) Financial Statements, Pay Stubs and W2’s; (d) Preliminary HUD from Title Company; (e) Income Tax Returns; (f) Income/Expense/Net Worth Statements; (g) Hardship Letter; (h) List of Assets and Liabilities; (i) Property Appraisal.

6. Brokerage and Broker Liability. Involvement in a short sale may not preclude foreclosure proceedings. Absent separate agreement, a Lien Holder is not bound to accept less than the amount owed to it by Seller. Seller acknowledges that Brokerage and Broker make no guarantees regarding the ability to secure neither a short sale nor the outcome of any negotiations with a Lien Holder. Seller agrees to release and hold harmless and by executing this Supplement hereby releases and holds harmless from liability any real estate brokerage and their brokers and licensee(s) from negotiating with Lien Holder and/or participating in any sale transaction.

7. Tax and Legal Advice. A "short sale" may result in special tax consequences. Seller is advised to consult with a professional tax and/or financial advisor regarding the tax and other financial implications of entering into a short sale transaction. Seller should also obtain legal advice concerning the terms of any agreement with a Lien Holder, and to oversee, supervise and implement a "short sale" transaction.

Seller (Signature)

Printed Name _____

Date _____

Seller (Signature)

Printed Name _____

Date _____

Listing Brokerage: _____

By : _____ (Managing Broker Signature) Date: _____

Print Managing Broker Name: _____

Print Broker/Designated Agent Name: _____