

## AFFIDAVIT OF "ARM'S LENGTH TRANSACTION"

Pursuant to a residential purchase agreement ("Agreement"), the parties identified below as "Seller(s)" and "Buyer(s)," respectively, are involved in a real estate transaction whereby the Mortgage Servicer Account Number identified as (Loan Number) the real property commonly known as (Property Address) ("Property") will be sold by Seller(s) to Buyer(s). The Investor ("Lender") holds a deed of trust or mortgage against the Property. In order to complete the sale of the Property, Seller(s) and Buyer(s) have jointly asked Lender to discount the total amount owed on the loan which is secured by the deed of trust or mortgage. Lender, in consideration for the representations made below by Seller(s), Buyer(s), and their respective agents, agrees to a short sale on the express condition that Seller(s), Buyers, and their respective agents (including, without limitation, real estate agents, escrow agents, and title agents) each truthfully represents, affirms, and states as follows:

- (a) The sale of the Mortgaged Premises is an "arm's length" transaction, between parties who are unrelated and unaffiliated by family, marriage, or commercial enterprise;
- (b) There are no agreements, understandings or contracts between the parties that the Borrower will remain in the Mortgaged Premises as a tenant or later obtain title or ownership of the Mortgaged Premises, except to the extent that the Borrower is permitted to remain as a tenant on the Mortgaged Premises for a short term, as is common and customary in the market but no longer than ninety (90) days, in order to facilitate relocation;
- (c) Neither the Borrower(s) nor the purchaser(s) will receive any funds or commissions from the sale of the Mortgaged Premises. The Borrower may receive a payment if it is offered by PHH Mortgage, approved by the **Investor** and reflected on the HUD-1 Settlement Statement.
- (d) There are no agreements, understandings or contracts relating to the current sale or subsequent sale of the Mortgaged Premises that have not been disclosed to the Servicer.
- (e) All amounts to be paid to any party, including holders of other liens on the Mortgaged Premises, in connection with the short payoff transaction have been disclosed to and approved by the Servicer and will be reflected on the HUD-1 Settlement Statement
- (f) Each signatory understands, agrees and intends that the Servicer and **Investor** are relying upon the statements made in the affidavit as consideration for the reduction of the payoff amount of the Mortgage and agreement to the sale of the Mortgaged Premises;
- (g) A signatory who makes a negligent or intentional misrepresentation agrees to indemnify the Servicer and **Investor** for any and all loss resulting from the misrepresentation including, but not limited to, repayment of the amount of the reduced payoff of the Mortgage;
- (h) The certification will survive the closing of the transaction; and
- (i) Each signatory understands that a misrepresentation may subject the party making the misrepresentation to civil and/or criminal liability

I declare under penalty of perjury under the laws of the State of \_\_\_\_\_ that all statements made in this Affidavit are true and correct.

**Additionally, I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly and willfully make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.**

Seller: \_\_\_\_\_  
Date

Seller: \_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Buyer: \_\_\_\_\_  
Date

Buyer: \_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Listing Broker: \_\_\_\_\_  
Date

Purchaser's  
Broker: \_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Transaction  
Facilitator: \_\_\_\_\_  
Date

Transaction  
Facilitator: \_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Escrow/Closing  
Agent \_\_\_\_\_  
Date

Transaction  
Facilitator: \_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Signature \_\_\_\_\_

(seal)

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

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STATE OF \_\_\_\_\_ )

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(seal)

STATE OF \_\_\_\_\_ )

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Signature \_\_\_\_\_

(seal)