

DISCLOSURE OF SHORT SALE ISSUES TO BUYER

When making an offer to purchase property, a buyer may be asked by the seller to execute a contract which requires that it be approved by the seller's lender or some other third party. Such a condition may indicate that a "Short Sale" circumstance may exist. A Short Sale occurs when: (i) the purchase price of a property is not sufficient to satisfy all liens encumbering the property and to pay for seller's costs, including the real estate brokerage commission, and (ii) due to hardship or financial inability, seller is unwilling or unable to pay the balance of such liens or costs. In such circumstance:

1. You may not simply "walk away" from a contract which is subject to lender or third party approval - you will become obligated to perform under the contract from the date of its execution until the lender or third party disapproves the contract or a term in the contract permits either the seller or buyer to terminate.
2. The lender or third party is under no obligation to consider, respond to, approve, or disapprove your contract within any specified period of time.
3. It is possible the lender may elect not to approve the contract, in which event you will not be able to buy the property at the listing or contract price.
4. At the time the seller enters into the contract with you, the seller may not have been informed by the lender:
 - (a) what an acceptable purchase price may be, or
 - (b) that the lender would participate in or consider a potential Short Sale offer.

Receipt of the above disclosure is hereby acknowledged.

Dated: _____

Buyer