



Lynchburg Association of REALTORS®
Short Sale Addendum to Purchase Agreement

THIS IS AN ADDENDUM to the Purchase Agreement dated _____, 20__ (the "Purchase Agreement"), by and between _____ ("Seller") and _____ ("Purchaser") for the purchase and sale of certain real property known as _____, Virginia (the "Property") and shall be attached to and made a part of the Purchase Agreement.

1. **SHORT SALE.** The parties acknowledge that the amount of money necessary to pay in full all loans, judgments and other obligations that are secured by one or more liens on the property (collectively the "liens") and all closing costs may exceed the current market value of the Property (a "short sale"). Therefore, the Purchase Agreement is hereby made contingent upon Seller's receipt of written consent from all existing secured lenders and lienholders (collectively the "lienholders") to accept the Purchase Agreement and a reduced payoff of the existing liens in an amount sufficient to permit the proceeds from the sale of the Property to pay the liens, real estate taxes, closing costs and monetary obligations under the Purchase Agreement.
2. **SHORT SALE APPROVAL DEADLINE.** Seller shall submit its written request for a short sale to all lienholders within five (5) days following execution of this Addendum and diligently pursue approval. Seller shall keep Purchaser informed of any updates or responses from Seller's lienholders. If Seller has not obtained and provided to Purchaser all written short sale consents of the lienholders by 5:00 p.m. on _____, 20__, then either Seller or Purchaser may terminate the Purchase Agreement by written notice to the other party, and subject to the deposit disbursement provisions of the Purchase Agreement, Purchaser's Deposit shall be refunded in full to Purchaser and neither party shall have any further obligation under the Purchase Agreement.
3. **LENDER APPROVAL AND CONDITIONS.** The parties acknowledge that lienholders are not obligated to accept a short sale of the Property. Additionally, lienholders may impose conditions prior to approval of a short sale, such as modifying terms of the Purchase Agreement, obtaining an appraisal, requiring the Seller to demonstrate hardship and/or provide copies of paystubs, assets, tax returns and other financial information. The parties further acknowledge that neither Purchaser nor Seller is required to accept modified terms of the Purchase Agreement. If the written consent(s) are conditioned upon modification of the Purchase Agreement and such modifications are not acceptable to a party, then either Purchaser or Seller may terminate the Purchase Agreement by written notice to the other party, and subject to the deposit disbursement provisions of the Purchase Agreement, Purchaser's Deposit shall be refunded in full to Purchaser and neither party shall have any further obligation under the Purchase Agreement.
4. **TIME PERIODS.**
 - a. **Property Inspection.** The time period in which Purchaser must provide Seller with an inspection report, cost of repairs and a written request for repair and/or repair credit of defects pursuant to Property inspection set forth in Paragraph 14 of the Purchase Agreement shall be **[select one]**:
 - ☐ as specified in the Purchase Agreement.
 - OR**
 - ☐ within _____ days after Seller delivers to Purchaser all written consents of lienholders approving the short sale for the Property.
 - b. **Financing.** Purchaser shall make written loan application within the time period set forth in the Purchase Agreement. The time period for all other financing obligations, including payment of the appraisal fee and other loan application fees, as set forth in Paragraph 4 of the Purchase Agreement shall **[select one]**:
 - ☐ as specified in the Purchase Agreement
 - OR**
 - ☐ within _____ days after Seller delivers to Purchaser all written consents of lienholders approving the short sale for the Property.
 - c. **Deposit.** The Deposit described in Paragraph 7 of the Purchase Agreement shall be delivered to the Escrow Agent **[select one]**: ☐ on the date specified in the Purchase Agreement **OR** ☐ within _____ days after Seller delivers to Purchaser all written consents of lienholders approving the short sale for the Property (the "Extended Deposit Date").

5. **SETTLEMENT.** Settlement shall occur [select one]:
☐ as specified in the Purchase Agreement
OR
☐ _____ days after Seller delivers to Purchaser all written consents of lienholders approving the short sale for the Property.
6. **INDEMNIFICATION.** Seller and Purchaser acknowledge that the brokers have no control over Owner's lienholders, and that the lienholders may refuse to accept a short sale request. Seller and Purchaser hereby agree to hold the brokers harmless regarding any acts by omissions of Owner's lienholders.
7. **CERTAIN COSTS.** Seller and Purchaser acknowledge that each may incur costs in connection with this short sale transaction, including but not limited to, lender application fees, inspection costs, appraisal fees and processing expenses. Such costs will be the sole responsibility of the party incurring the expense. If the lienholders do not consent to the short sale or the Purchase Agreement is terminated as may be permitted herein or in the Purchase Agreement, then such costs will not be reimbursed.
8. **MARKETING AND MULTIPLE OFFERS.** Seller may continue to market the Property for sale despite acceptance of the Purchase Agreement with Purchaser, and to present to the lienholders any additional offers that may be received by Seller. Purchaser acknowledges that this Purchase Agreement may be one of several offers for the Property being considered by the lienholders. The lienholders may deny this short sale request in order to accept another offer that may have been received by Seller prior or subsequent to this Purchase Agreement. If another offer is accepted by the lienholders, then Seller shall immediately provide written notice of such acceptance to Purchaser and this Purchase Agreement shall terminate, and subject to the deposit disbursement provisions of the Purchase Agreement, Purchaser's Deposit shall be refunded in full to Purchaser and neither party shall have any further obligation under the Purchase Agreement. The rights and obligations of the parties under any purchase agreement accepted by the lienholders for the Property are superior to the rights and obligations of the parties to this Purchase Agreement.
9. **TERMINATION.** In the event that any lienholder denies a short sale request, then the Purchase Agreement shall terminate, and subject to the deposit disbursement provisions of the Purchase Agreement, Purchaser's Deposit shall be refunded in full to Purchaser and neither party shall have any further obligation under the Purchase Agreement.

Except as modified by this Addendum, all other terms and conditions of the Purchase Agreement are hereby ratified and reaffirmed.

WITNESS the following authorized signatures:

_____	_____	_____	_____
Purchaser	Date	Seller	Date
_____	_____	_____	_____
Purchaser	Date	Seller	Date
_____	_____	_____	_____
Purchaser	Date	Seller	Date

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