



SHORT SALE ADDENDUM TO LAR LISTING AGREEMENT



THIS IS AN ADDENDUM to the Listing Agreement dated _____, 20____ (the "Listing Agreement"), by and between _____ (collectively "Owner") and _____ ("Broker") for the exclusive right to sell certain real property known as _____, Virginia (the "Property") and shall be attached to and made a part of the Listing Agreement.

1. **SHORT SALE.** Owner acknowledges 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 (including Broker's compensation) may exceed the current market value of the Property. The difference between the market value and the amount needed to pay all loans and closing costs is called the deficiency. In order to sell the Property, Seller may be required to pay the deficiency at closing, and/or obtain the agreement of all secured creditors to accept, as payment in full, less money than is owed on the liens (a "short sale"). Broker advises Seller that other options (other than a short sale) may be more appropriate for Owner, such as negotiating a modification of existing loans, refinancing, bankruptcy, foreclosure or a deed in lieu of foreclosure. Broker has further advised Owner to consult with legal and tax counsel regarding the decision to seek a short sale or other options.
2. **CREDIT AND TAX CONSIDERATIONS.** A short sale may have a negative impact on Owner's credit rating even if a foreclosure has not begun or is not completed due to a short sale. Owner acknowledges that if a lender accepts less than full payment of any secured loan, the difference may result in taxable income to Owner even though Owner does not receive any cash proceeds from the sale. Owner may also be taxed on the gain in Property's value from the date of Owner's purchase.
3. **OWNER COOPERATION.** Owner shall disclose to Broker all known liens secured by the Property. Owner agrees to cooperate with Broker, settlement agent and creditor(s) to determine the lien balances and to provide any and all information and documentation required of the creditor(s) to process a short sale request. Owner acknowledges that the creditor(s) may impose conditions prior to approval of a short sale, such as obtaining a new appraisal, requiring the Owner to demonstrate hardship and/or to provide copies of paystubs, assets, tax returns and other financial information.
4. **OWNER AUTHORIZATION.** Owner authorizes Broker to disclose that the Property is a short sale or pre-foreclosure property to other real estate brokers, agents and prospective purchasers, and in the Multiple Listing Service (MLS) and other marketing materials; and provide comparable sales information, MLS data and other information to Owner's creditor(s).
5. **CONSENT.** Owner hereby authorizes Owner's secured creditor(s) to discuss with and release to Broker and its designated representative all information regarding the sale of the Property and lien payoffs, including the negotiation of a short sale for all liens. Owner agrees to execute any further authorizations that may be required of any secured creditor(s) to allow processing of the short sale request. Owner further authorizes the payment of the negotiated pay off(s) of the liens by the settlement agent at settlement of the Property.
6. **INDEMNIFICATION.** Owner acknowledges that Broker has no control over Owner's secured creditor(s), and that the secured creditors may refuse to accept a short sale request. Owner hereby agrees to hold Broker harmless regarding any acts or omissions by Owner's secured creditor(s).
7. **TERMINATION.** In the event that any secured creditor(s) refuse to accept a short sale request on behalf of Owner and Owner does not possess sufficient funds and/or refuses to pay any deficiency and proceed to settlement, then Broker may terminate the Listing Agreement by written notice to Owner. Upon such termination, Broker shall withdraw the Property from the MLS database and the parties shall have no further obligation to each other.
8. Except as modified by this Addendum, all other terms and conditions of the Listing Agreement are hereby ratified and reaffirmed.

OWNER

_____/_____
Date Owner

_____/_____
Date Owner

BROKER

(insert name of firm above)

By (signature): _____

Print name: _____

Date: _____