CALIFORNIA ASSOCIATION OF REALTORS®

# SHORT SALE ADDENDUM

**(C.A.R. Form SSA, 11/10)**

This is an addendum to the ☐ California Residential Purchase Agreement, ☐ Counter Offer, ☐ Other _____ _____ ("Agreement"), dated _____ , on property known as _____ ("Property"), between _____ ("Buyer") and _____ ("Seller").

**1. SHORT SALE APPROVAL:**

**A.** This Agreement is contingent upon Seller's receipt of and delivery to Buyer of written consent ("Short Sale Lenders' Consent") to the Agreement from all existing secured lenders and lienholders ("Short Sale Lenders"), by 5:00 P.M. no later than **45** (**or** ☐ _____ ) Days After Acceptance (or ☐ on _____ (date) ("Short Sale Contingency Date").

**B.** Short Sale Lenders' Consent means that all Short Sale Lenders shall collectively agree to reduce their respective loan balances by an amount sufficient to permit the proceeds from the sale of the Property to pay the existing balances on loans secured by the Property, real property taxes, brokerage commissions, closing costs, and other monetary obligations the Agreement requires Seller to pay at Close Of Escrow (including, but not limited to, escrow charges, title charges, documentary transfer taxes, prorations, retrofit costs, Homeowners Association Fees and Repairs) without requiring Seller to place any funds into escrow or have any continuing obligation to Short Sale Lenders.

**C.** **(i)** Seller shall Deliver to Buyer a copy of Short Sale Lenders' Consent or term sheet(s) within 3 (or ☐ _____ ) Days After receipt by Seller. **(ii)** Seller's presentation to Buyer of Short Sale Lender's Consent satisfying 1B removes the contingency in 1A.

**D.** If by the Short Sale Contingency Date, **(i)** Seller has not received Short Sale Lenders' Consent satisfying 1B, Seller may in writing cancel this Agreement, or **(ii)** Buyer has not received a copy of Short Sale Lenders' Consent satisfying 1B, Buyer may cancel this Agreement in writing. In either case, Buyer shall be entitled to return of any remaining deposit delivered to escrow.

**E.** Seller shall reasonably cooperate with existing Short Sale Lenders in the short sale process, but neither Seller nor Buyer is obligated to change the terms of their Agreement to satisfy Short Sale Lenders' consent or term sheet(s).

**F.** If Short Sale Lenders' written consent or term sheet(s) provided to Seller require changes to the Agreement in order to satisfy the terms of 1B, **(i)** neither Buyer nor Seller shall be obligated to continue negotiations to satisfy any of the requirements of the term sheet(s) **(ii)** either party may in writing cancel this Agreement. And **(iii)** Seller is advised to seek legal, accounting and tax advice before agreeing to any such changes. If the Agreement is cancelled pursuant to this paragraph, Buyer shall be entitled to return of any remaining deposit delivered to escrow.

**2. TIME PERIODS.** Time periods in the Agreement for inspections, contingencies, covenants, and other obligations:

**(i)** shall begin the Day After Seller delivers to Buyer Short Sale Lenders' Consent satisfying 1B. However, time periods for providing pre-approval/pre-qualification letters and verification of down payment and closing costs shall nonetheless begin as otherwise specified in the Agreement;
or **(ii)** (if checked) ☐ shall begin as specified in the Agreement.

Buyer's Initials ( _____ ) ( _____ ) Seller's Initials ( _____ ) ( _____ )

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Reviewed by _____ Date _____

EQUAL HOUSING OPPORTUNITY



**Agent:** Gregg Watkins **Phone:** 619-665-6789 **Fax:** 858-780-8811 **Prepared using zipForm® software**
**Broker:** Watkins Realty Group 5703 Oberlin Dr., Ste 212 San Diego , CA 92121

3. **BUYER'S DEPOSIT CHECK.** Buyer's deposit check shall be delivered to escrow within:
   **(i)** 3 business Days After Seller delivers to Buyer Short Sale Lenders' Consent satisfying 1B, or **(ii)** (if checked) ☐ as specified in the Agreement.

4. **NO ASSURANCE OF LENDER APPROVAL.** Buyer and Seller understand that Short Sale Lenders: **(i)** are not obligated to give consent to a short sale; **(ii)** may require Seller to forward any other offer received; and **(iii)** may give consent to other offers. Additionally, Short Sale Lenders may require that, in order to obtain their approval for a short sale, some terms of the Agreement, such as the Close of Escrow, be amended or that Seller sign a personal note or some other obligation for all or a portion of the amount of the secured debt reduction. Buyer and Seller do not have to agree to any of Short Sale Lenders' proposed terms. Buyer, Seller and Brokers do not have control over whether Short Sale Lenders will consent to a short sale, or control over any act, omission, or decision by any Short Sale Lender in the short sale process.

5. **BUYER AND SELLER COSTS.** Buyer and Seller acknowledge that each of them may incur costs in connection with rights or obligations under the Agreement. These costs may include, but are not limited to, payments for loan applications, inspections, appraisals, and other reports. Such costs will be the sole responsibility of the party incurring them if Short Sale Lenders do not consent to the transaction or either party cancels the transaction pursuant to the Agreement.

6. **OTHER OFFERS.** Unless otherwise agreed in writing, after Buyer's offer has been accepted by Seller, **(i)** Seller has the right to continue to market the Property for back-up offers or additional offers; **(ii)** Seller has the right to accept back-up offers (C.A.R. Form PAA, Paragraph 1), and present to Short Sale Lender(s) any accepted back-up offers or additional offers that are received; and **(iii)** Seller shall notify Buyer when any accepted back-up offers, or other subsequent offers are presented to Short Sale Lender(s).

7. **CREDIT, LEGAL AND TAX ADVICE.** Seller is informed that a short sale may have credit or legal consequences and may result in taxable income to Seller. **Seller is advised to seek advice from an attorney, certified public accountant or other expert regarding such potential consequences of a short sale.**

**By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a copy of this Short Sale Addendum.**

Date _____ Date _____

Buyer _____ Seller _____

Buyer _____ Seller _____

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