

**SHORT SALE ADDENDUM TO
EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT**

(to be used with NCAR standard form 101 or 103)

Property Address: _____

The additional provisions set forth below are hereby made a part of the Exclusive Right to Sell Listing Agreement for the Property between Seller: _____

and Firm: _____

1. **Short Sale Defined:** For purposes of the Agreement between Seller and Firm, a "Short Sale" is a sale where:
- The purchase price is or may be insufficient to enable Seller to pay the costs of sale, which include but are not limited to the Seller's closing costs and payment in full of all loans or debts secured by deeds of trust on the Property due and owing to one or more lender(s) and/or other lienholders ("Lienholders")
 - Seller does not have sufficient liquid assets to pay any deficiencies and
 - The Lienholders agree to release or discharge their liens upon payment of an amount less than the amount owed, with or without the Seller being released from any further liability.

2. **Acknowledgement of Short Sale:** Seller acknowledges that any sale of the above Property may or would be a Short Sale. Seller further acknowledges that other options may be available to Seller, including but not limited to negotiating a modification of existing loans or liens, refinancing, bankruptcy, foreclosure, or deed in lieu of foreclosure. Nevertheless, Seller desires to make special arrangements with Firm and any potential Buyer of the Property for a Short Sale. Seller acknowledges that the ability of Firm to successfully market the Property could be limited by any need for a Short Sale

3. **Potential Credit and Tax Consequences:** Seller understands that:
- A Short Sale may have a negative impact on the credit rating or credit score of Seller
 - A Short Sale may result in taxable income to Seller, even though Seller does not receive any cash proceeds from the sale.

Seller is advised to seek advice from an attorney, a certified public accountant or other professional regarding the credit, legal and tax consequences of a Short Sale.

4. **Lienholders' Conditions:** Seller understands that the Lienholders:
- Are not obligated to approve a Short Sale
 - Are not obligated to release Seller from further liability even if Lienholders approve a Short Sale
 - May impose conditions prior to consideration or approval of a Short Sale, such as obtaining a current appraisal, requiring Seller to demonstrate financial hardship or provide income tax returns, pay stubs, evidence of financial assets or other financial information

Seller acknowledges that Firm has no control over Lienholders' approval, or any act, omission or decision by any Lienholders in the Short Sale process, and that Firm has not made any promise that a Short Sale of the Property will be successful.

5. **Duties of Seller to Close a Short Sale:** Seller understands that a Short Sale may require Seller to:
- Deposit with the settlement agent additional funds belonging to Seller to pay obligations of the Seller at closing, and/or
 - Obtain approval of any contract of sale for the Property from the Lienholders, and/or
 - Pay from Seller's other assets at closing or after the sale is completed some or all of the difference between the sales price and the costs of sale

6. **Authorization of Firm:** Seller hereby authorizes Firm to take the following additional actions with regard to the listing and sale of the Property:
- Market the Property as a Short Sale or "pre-foreclosure" property in the multiple listing services and other advertising or promotional materials
 - Continue to market the Property for sale according to the rules of the multiple listing service until the Short Sale is fully approved and agreed upon by all necessary parties;



- Disclose or provide any requested information or documentation to the Lienholders (and to the buyer and/or buyer's agent) in order to obtain approval of a Short Sale
- Contact and communicate directly with the loss mitigation or other similar departments or divisions of Lienholders to obtain loan or lien status, account and payoff-related information and to negotiate a Short Sale
- Provide comparable sale information or broker price opinions or other data or information documenting the current fair market value of the Property to the Lienholders
- Provide any and all mortgage and/or other lien account payoff information to settlement agent, prospective buyers and/or buyer's agents
- Coordinate and allow inspection of the Property by authorized representatives of Lienholders;
- Include as a part of any contract of sale that would be a Short Sale a "Short Sale Addendum" (standard form 2A14-T), a copy of which Seller acknowledges has been provided to Seller by Firm

7. **Provision of Information by Seller:** Seller shall be obligated to:

- Promptly furnish Firm and/or Lienholders with such information or documentation as Lienholders may deem necessary to substantiate and justify the need for a Short Sale, including but not limited to:
 - Providing copies of financial information such as pay stubs, income tax returns, bank statements, proof of Seller's assets and liabilities, homeowner or condominium association lien status letters (when applicable),
 - Composing and providing a hardship letter detailing Seller's financial difficulties.

8. **Lienholder List:** Seller hereby represents to Firm that to the best of Seller's knowledge, the attached exhibit contains an accurate list of all Lienholders having any lien or encumbrance upon the Property, including the amount now owed by Seller with respect to each such lien or encumbrance.

9. **Potential Foreclosure or Judicial Sale:** Seller understands that:

- During a Short Sale process a foreclosure or other judicial sale of the Property could occur if Seller is in default of Seller's financial obligations
- Seller shall remain at all times responsible to be aware of the status of any such sale and to promptly inform Firm of all information possessed by Seller about any sale
- If a foreclosure or other judicial proceeding is filed with respect to the Property, Firm is required by law to timely disclose it to any prospective buyer
- Once a foreclosure or other judicial proceeding is filed with the Clerk of Superior Court, Firm may continue to solicit and negotiate offers to purchase between Buyer and Seller. Firm may also contact, communicate with, obtain information from and supply information to Lienholders and to the parties to the foreclosure proceeding. While Seller and Seller's attorney may negotiate with Lienholders, Firm should avoid negotiating with Lienholders regarding the foreclosure proceeding as such conduct may constitute the practice of law.

10. **Firm's Compensation:** Seller understands and acknowledges that Firm's entitlement to the fee set forth in the Listing Agreement shall not be affected by a Short Sale or any other sale of the Property.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT OR THE EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT (VACANT LAND), THIS ADDENDUM SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

Seller _____ Date _____

Seller _____ Date _____

Firm _____
Real Estate Firm Name

By: _____ Date _____
Individual agent signature