

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
(SSA39-10-11) (Mandatory 1-12)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SHORT SALE ADDENDUM (Seller Listing Contract)

Date: _____

1. ADDENDUM TO CONTRACT. This Short Sale Addendum (Addendum) is made a part of the Seller Listing Contract (Seller Listing Contract) dated _____ for the sale of the property

known as _____ (Property)
Street Address City State Zip

for purposes of disclosing to Seller certain matters of a Short Sale and confirming certain rights of Seller.

This Addendum shall control in the event of any conflict with the Seller Listing Contract. Terms used herein shall have the same meaning as in the Seller Listing Contract. Except as modified, all other terms and provisions of the Seller Listing Contract shall remain the same.

2. PURPOSE AND DEFINITIONS.

2.1. Purpose of Addendum. Seller has debts secured by one or more liens on the Property. The Purchase Price paid by a buyer may not be enough to cover payment for all the liens and costs of sale. If so, for the closing to occur, the affected Lien Holders (§ 2.2 below) must agree to a Short Sale (§ 2.3 below).

2.2. Lien; Lien Holder. A Lien is a recorded claim or lien against the Property, including, but not limited to, a mortgage, deed of trust, mechanic's lien, judgment or tax lien (Lien). A title insurance commitment may be used to show the Liens against the Property. A Lien Holder is a creditor who has a Lien and agrees to release its Lien in a Short Sale (§ 2.3 below).

2.3. Short Sale. A Short Sale (Short Sale) is a transaction in which any Lien Holder releases its Lien against the Property and (1) accepts an amount less than the full amount Lien Holder claims is owed or (2) treats the debt secured by the Lien differently than as originally provided for in the evidence of debt (such as promissory note). Before a Short Sale can occur, the buyer, Seller, and each Lien Holder (except those creditors that are to be paid the full amount claimed) must consent to the terms of the sale. Sometimes, a Lien is released but the Lien Holder does not agree to release Seller from liability or reduce the unpaid portion of the debt, and the Seller and any guarantors will remain liable after Closing for that unpaid portion, despite the release of the Lien against the Property at a closing.

2.4. Short Sale Acceptance. Short Sale Acceptance (Short Sale Acceptance or SSA) is when Seller receives one or more written statements, signed by each Lien Holder, that specify the terms and conditions of the Short Sale.

3. MANDATORY DISCLOSURES TO SELLER.

3.1. SELLER IS ADVISED TO CONTACT THE COLORADO FORECLOSURE PREVENTION HOTLINE OPERATED IN COOPERATION WITH THE COLORADO DIVISION OF HOUSING AT 1-877-601-4673 OR THE HUD HOUSING COUNSELING AND REFERRAL LINE AT 1-800-569-4287.

3.2. Seller acknowledges that there are alternatives to a Short Sale that may be better for Seller. Seller acknowledges that a Short Sale transaction may result in continued liability of Seller or other persons liable for the debt that could be extinguished through foreclosure, bankruptcy or other loss mitigation options, including but not limited to a negotiated loan modification with Lien Holder. Seller acknowledges that it is the responsibility of Seller to investigate these alternative methods of resolution with Seller's legal, accounting or financial advisors and with Lien Holder and it is not the responsibility of any real estate broker to undertake any investigation of other options that may be available to Seller.

3.3. Short Sales may have serious adverse legal, tax and economic consequences for Seller and any guarantors. Seller is advised to seek legal and tax counsel to advise Seller of the legal effect and meaning of any Short Sale Acceptance from Lien Holder.

3.4. Lien Holder is not required to agree to a Short Sale. Even if a Lien Holder agrees to a Short Sale, a Lien Holder is not required to forgive repayment of the debt secured by the Lien or release Seller and any guarantors from liability unless Lien Holder's claim is paid in full. Seller acknowledges that Lien Holder may or may not agree to release Seller or any guarantors from liability to Lien Holder. If not released, Seller and any guarantors will remain liable to Lien Holder for any amount that remains

54 unpaid after the Short Sale. To be binding, any release of liability by Lien Holder must be in writing, must be executed by Lien
55 Holder, and must provide that Seller and all guarantors are released from liability.

56 **3.5.** Lien Holder may condition its agreement on Seller doing any or all of the following to obtain a Short Sale
57 Acceptance: (1) make a cash payment, (2) sign a new promissory note, (3) continue to owe the Lien Holder the unpaid portion of
58 the debt and (4) agree to other requirements made by Lien Holder.

59 **3.6.** If the Lien Holder accepts less than full payment, Seller understands that Seller may incur federal and state tax
60 liability due to a Short Sale and understands that Lien Holder is required to file all required 1099 Forms with the Internal Revenue
61 Service with respect to this transaction. Seller is strongly advised to seek tax advice regarding the potential adverse tax
62 consequences to Seller of a Short Sale.

63 **3.7.** Seller acknowledges that a Short Sale Acceptance by the Lien Holder will not necessarily repair or rehabilitate
64 Seller's credit rating and Lien Holder has no obligation other than to fairly report this transaction to any credit rating agency.

65 **3.8.** Release of the Lien against the Property does not by itself release Seller or any guarantors from liability for the debt.

66 **3.9.** Seller acknowledges there are no promises or representations regarding: (1) whether Lien Holder will agree to a
67 Short Sale, (2) the terms of any Short Sale Acceptance, or (3) when the Lien Holder will advise of its decision to agree to a Short
68 Sale or provide the written terms and conditions of the Short Sale Acceptance.

69 **4. MORTGAGE ASSISTANCE RELIEF SERVICES (FTC – DISCLOSURES).**

70 **IMPORTANT NOTICE**

71 **4.1.** You (Seller) may stop doing business with us (the Brokerage Firm and Broker) at any time. You (Seller) may accept
72 or reject the offer of mortgage assistance we (Brokerage Firm or Broker) obtain from your (Seller's) lender [or servicer]. If you
73 (Seller) reject the offer, you (Seller) do not have to pay us (Brokerage Firm). If you (Seller) accept the offer, you (Seller) will have
74 to pay us (Brokerage Firm) as set forth in Seller Listing Contract for our (Brokerage Firm's and Broker's) services.

75 **4.2.** Brokerage Firm is not associated with the government, and our (Brokerage Firm's) services are not approved by the
76 government or your (Seller's) lender.

77 **4.3.** Even if you (Seller) accept this offer and use our (the Brokerage Firm's and Broker's) service, your (Seller's) lender
78 may not agree to change your (Seller's) loan.

79 **4.4.** If you (Seller) stop paying your (Seller's) mortgage, You (Seller) could lose your (Seller's) home and damage your
80 (Seller's) credit rating.

81 Seller's Name: _____ Broker's Name: _____

Seller's Signature Date

Broker's Signature Date

Brokerage Firm's Name: _____

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