



**GREATER MIDWEST REALTY
DISCLOSURE TO SELLER
FOR A SHORT SALE**

Initial(s) **PROPERTY ADDRESS** _____

_____/_____
LEGAL WARRANTY: Greater Midwest Realty (also referred as GMR) and/or its agents and subagents are not offering legal advice. If you require legal advice regarding this, or any real estate transactions, it is GMR's recommendation that the Seller contact a qualified real estate attorney. Agents affiliated with GMR are not attorneys and do not give legal advice. The following general information is not intended to give any legal advice. Rather, it is intended to explain in general terms what a short sale is and how it may benefit the seller. The use of a short sale is more detailed and should be researched by the seller before entering into a purchase agreement. In every real estate transaction there are risks involved. The seller acknowledges these risks and is choosing to take full responsibility for using the instrument of a short sale.

_____/_____
SHORT SALE DEFINED: When the sales price of the property is not enough to pay all debts and obligations secured by mortgages and other liens together with closing costs, it is referred to as a short sale. Selling the property short (at a loss) of what is owed. The seller must negotiate a written agreement with the lender whereby the lender will accept less than what is actually owed to release the mortgage on the Property. Accordingly, any offer accepted by seller must include a short sale contingency requiring prior lender approval of the transaction. The seller acknowledges that multiple lien holders and lenders may need to release their rights in exchange for less than the balances owed in order to sell the property.

_____/_____
TAX CONSEQUENCES: If the lender does forgive the deficiency and the seller does not qualify under the Mortgage Forgiveness Debt Relief Act of 2007, the seller may owe income tax on the debt forgiven (see IRS Form 982). The short sale also may result in capital gains. Seller is urged to consult with a qualified tax professional regarding the taxpayer's specific circumstances. Broker cannot provide Seller with personal tax advice.

_____/_____
CREDIT RATING CONSEQUENCES: There may be adverse consequences to Seller's credit rating if the lender forgives part or all of the amount owed, depending upon the lender's characterization of the short sale.

_____/_____
DOCUMENTATION FOR SHORT SALE APPLICATION: Most lender loss mitigation departments will require financial information from the Seller. This may include a statement of need or hardship accompanied by supporting documentation; employment verification along with paycheck stubs and W-2s or verification of a lost job; personal financial statements; Seller's last two income tax returns; or IRS form 4506-T; a cash flow analysis for Seller; an appraisal or CMA; the listing contract; and the accepted purchase agreement containing a lender approval contingency, once received. Seller agrees to provide such information and documentation as is required by the lender. Broker may help Seller assemble and submit this information to lender, and will furnish the lender with market data regarding the local housing inventory, home prices, holding versus closing costs and such other documentation and information that may help Seller win lender approval.

_____/_____
AUTHORIZATION TO ASSIST SELLER IN MAKING ARRANGEMENTS WITH LENDER FOR SHORT SALE:
Seller authorizes Broker to discuss with Seller's lender the details of Seller's loan and the lender's short sale requirements, submit the needed Seller financial information and market data, and provide other non-legal assistance to expedite the short sale process. *Seller will provide written authorization letters to Broker as needed. (See GMR form: AUTHORIZATION TO CONVERSE WITH 3RD PARTY LENDER AND /OR LIEN HOLDER)* Broker shall assist Seller to make arrangements for short sales, but any negotiations involving legal, tax or personal financial advice must be handled by Seller's attorney or other professional advisors.

Seller(s) acknowledge that they have reviewed and understand all aspects of this disclosure and of any potential conflict between Lender or Lien Holder, Greater Midwest Realty, the Agent, or the Buyer or Seller. Seller has determined that Greater Midwest Realty and agent's affiliation with other entities will not create a conflict in this transaction. Seller acknowledges that they have received copies of all signed documents either by hard copy or email scan.

Seller Date

Seller Date