MyStateMLS

Comprehensive Rider to the Residential Contract for Sale and Purchase
Approved by the Florida Bar

When signed by both parties, the following provisions will be added to theFlorida Bar Residential Contract for Sale and Purchase between ______________________________ (SELLER) and ______________________________ (BUYER) for the property described as ____.

Buyer's Initials ____________ Seller's Initials ____________

G. SHORT SALE APPROVAL CONTINGENCY

1. **Seller's Lender(s) Approval and Conditions.** This Contract depends on:
   (a) The seller's lender(s) and any other lien holder(s) ("Seller's Lender") approving the agreed Purchase Price, contract terms, and settlement statement;
   (b) Seller's Lender agrees to accept a reduced payoff that is less than the outstanding loan or debt balance; and
   (c) Seller's Lender agrees to release and satisfy the mortgage(s) or other liens against the property once the reduced payoff is made.

   Collectively, items (a)–(c) are called "Short Sale Approval." If Seller's Lender's approval does not include a complete release of liability for the seller from claims for the deficiency under the mortgage(s), or imposes extra obligations on either party not already agreed to, then it will not be considered "Short Sale Approval" unless the impacted party agrees in writing. Once accepted, a copy of the Short Sale Approval must be delivered by the Seller to the Buyer and the Closing Agent within 3 days of receipt.

2. **Application Submission.** Within __________ (10 days if left blank) after the Effective Date, Seller must obtain the lender's short sale application forms, complete them diligently, and return them within 5 days. Seller must also promptly provide any further documents requested by the lender.

3. **Updates on Approval Status.** Seller gives permission for Seller's Lender to inform Buyer, Buyer's Broker, and Closing Agent of the progress and results of the short sale application. Seller must notify Buyer promptly of either approval (as described in Paragraph 1) or denial.

4. **Approval Deadline and Right to Cancel.** If Seller fails to deliver an accepted Short Sale Approval within __________ (90 days if left blank) after the Effective Date ("Short Sale Approval Deadline"), either party may terminate this Contract with written notice, and the Deposit will be returned to Buyer, releasing both parties from further obligations.

   If Seller still has not delivered approval within 30 days after the deadline (the "Contract Termination Date"), the Contract will automatically end, and the Deposit will be refunded to Buyer, releasing both parties from any further obligations.

5. **Timing of Obligations.** The time for the initial deposit (Paragraph 2a) and calculation of the Short Sale Approval Deadline will be based on the Effective Date. All other contractual time periods and obligations will start from the date Buyer receives Short Sale Approval under Paragraph 1.

6. **Closing Date.** Closing shall take place on ______________________________ (45 days after Buyer receives Short Sale Approval if left blank).

G. SHORT SALE APPROVAL CONTINGENCY (CONTINUED)

7. **Back-up Offers (Select One – if neither is chosen, option (a) applies):**
   (a) **Seller's Agreement Not to Accept Other Offers.** While this Contract is in effect, the Seller agrees not to accept or enter into any backup offers, contracts, options, or other agreements to sell the Property.
   (b) **Seller's Right to Accept Back-up Offers.** While this Contract is active, the Seller may accept or enter into genuine backup offers or contracts to purchase the Property, provided such agreements are contingent on the failure of the Closing under this Contract.

8. **Seller's Acknowledgements.**
   (a) If the Seller is informed that their Lender will not allow a short sale, the Seller must promptly notify the Buyer and Broker.
   (b) The Seller acknowledges that the Broker has advised them to seek professional guidance on tax, legal, or other specialized matters and has encouraged consultation with legal counsel of the Seller's choice before moving forward with the short sale.

9. **Buyer's Acknowledgements.**
   (a) Buyer understands that the Seller's Lender is not a party to this Contract and is not obligated to approve it. The Seller's acceptance of this Contract does not guarantee Lender's approval, and the Lender has no duty to review, respond, approve, or advise Seller, Buyer, or Broker on any submitted offer.
   (b) Buyer further agrees that Seller and/or Broker are not responsible for delays caused by Seller's Lender or for costs and expenses incurred by Buyer (such as loan applications, inspections, or appraisals) if the Lender does not finalize the short sale even after issuing Short Sale Approval to Seller.

10. **Termination if Foreclosure Occurs.** If, during the term of this Contract, the Property is sold through foreclosure before Short Sale Approval is obtained and Closing takes place, this Contract will automatically end. The Buyer's Deposit will be refunded, and both Buyer and Seller will be released from all remaining obligations.