# Short Sale Supplement to Listing Contract

***This document may have legal implications. If you do not fully understand it, please seek advice from your attorney.***

Property Location:

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|---|---|---|---|---|
| ____________________ | ____________ | **MO** | ________ | ____________ |
| **Street Address** | **City** | | **Zip Code** | **County** |

Listing Contract between the undersigned Owner(s) and Real Estate dated: ______________________________

***All defined terms from the Listing Contract are incorporated into this Supplement. Unless specifically modified herein, the provisions of the Listing Contract remain fully effective. In the case of any conflict between the terms of this Supplement and those in the Listing Contract, the terms of this Supplement shall prevail.***

**1. Definitions.** The Owner has informed the listing agent that the sale of the Property may potentially result in a 'short sale .' A "**short sale**" refers to a situation where the Owner's net proceeds, after covering all applicable closing costs and other charges due from the sale, are not enough to fully satisfy the outstanding mortgage(s) and/or other secured lien(s) at closing, unless a Lien Holder agrees to provide a full deed of release in exchange for accepting a payment that is less than the total amount actually owed. For the purposes of this Listing Contract, a "**Lien Holder**" is defined collectively as any party to whom the Owner owes money, where such debt is secured by a lien against the Property. A Lien Holder is typically a mortgage lender but may also include other secured creditors, such as a bankruptcy trustee, federal, state, or local taxing authorities (e.g., the IRS or State Tax Commission), and private individuals or entities.

**2. Sale Contract Contingency.** Any sale contract accepted by the Owner shall be contingent upon obtaining written consent from each relevant Lien Holder to accept a reduced payment and provide a full release and satisfaction of their lien(s) prior to the scheduled closing date. The Owner authorizes the Real Estate to include MSC-2015R (Short Sale Rider) in any offer to sell the Property, subject to the approval of all parties involved.

**3. Disclaimer.** The Owner may not receive any net proceeds at closing and could owe additional amounts (either at closing or afterward). The Owner also acknowledges that debt forgiveness by the Lien Holder(s) may result in taxable income. Taxable capital gains could also be possible. A short sale may negatively impact the Owner's credit score, and the Real Estate has informed the Owner that other options, including but not limited to a loan modification or repayment plan, refinancing with a different lender, filing for bankruptcy, allowing foreclosure to proceed, or negotiating a deed in lieu, may be more suitable for the Owner.

**4. Advertising.** The Owner authorizes the Real Estate to market the Property as a "short sale" or "pre-foreclosure property" in the MLS and other platforms, to contact representatives and employees of the Lien Holder(s) to discuss the terms and status of the Owner's loan(s), and to facilitate the short sale. The Real Estate is authorized to share such info with prospective buyers and agents.

**5. Information and Cooperation.** The Owner agrees to provide the Real Estate and Lien Holder(s) with any information required to negotiate a short sale upon request (including, but not limited to):

- Executed Listing Agreement and Sale Contract
- Authorization letter(s) (*see sample attached*)
- Financial Statements, Pay Stubs and W2's
- Preliminary HUD from Title Company
- Bills/Expense Statements
- Assets and liabilities
- Tax Returns
- Hardship Letter
- Appraisal

**6. Broker Liability.** Involvement in a short sale does not prevent foreclosure proceedings from occurring. Unless there is a separate agreement, a Lien Holder is not obligated to accept less than the amount owed by the Owner. The Owner acknowledges that the Real Estate cannot guarantee the success of securing a short sale or the result of any negotiations with the Lien Holder. The Owner agrees to release and hold harmless any real estate broker and their licensees from liability related to negotiating with a Lien Holder and/or participating in any sale transaction.

**7. Tax and Legal Advice.** ***A "short sale" could lead to specific tax consequences. The Owner is advised to consult with a professional tax and/or financial advisor to understand the tax and financial implications of engaging in a short sale. The Owner should also seek legal advice regarding the terms of any agreement with a Lien Holder and oversee and manage the short sale process.***

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| ______________________________ | ______________________________ |
| **Owner** *(Signature)* | **Owner** (*Signature*) |
| Printed Name ____________________ | Printed Name ____________________ |
| Date ____________________ | Date ____________________ |

**Listing agents Firm Name:** ______________________________

By *(Signature)*______________________________

Licensee's Printed Name: ______________________________