



MAINSTREET ORGANIZATION OF REALTORS®
SHORT SALE SUPPLEMENT TO EXCLUSIVE MARKETING AGREEMENT



1 Property: _____

2 Exclusive Marketing Agreement (herein after referred to as “Agreement”) between the undersigned Seller(s) and Brokerage dated:
 3 _____
 4 _____

5 **The use of any capitalized terms not otherwise defined herein shall be given the same meaning as set forth in the Agreement to which this**
 6 **Supplement is attached. To the extent not specifically amended hereby, the terms and conditions of the Agreement previously entered**
 7 **into between the parties shall remain in full force and effect; provided, however, in the event of any inconsistency between the terms set**
 8 **forth herein and the terms set for in the Agreement, the terms set forth herein shall control. For good and valuable consideration, the**
 9 **sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:**

10 **1. Definitions:** Seller has advised Brokerage that the sale of the Property may result in a “short sale”. A “short sale” is defined as a situation
 11 where the Seller’s net proceeds, after payment of all applicable closing costs and other charges payable by Seller from the sale of the Property,
 12 are insufficient to pay the balance of any outstanding mortgage loan and/or other secured lien in full at closing unless a lien holder provides a full
 13 release in exchange for accepting payment in an amount that is less than the amount actually owed to the lien holder. For purposes of this
 14 Agreement, a “lien holder” is collectively defined as anyone who is owed money by Seller where such debt is secured by a lien against the
 15 Property. A lien holder is usually a mortgage lender, but may also include any other secured creditor, including without limitation a bankruptcy
 16 trustee, federal, state and local taxing authorities (e.g., the IRS or the Illinois Department of Revenue) judgment creditors and private parties.

17 **2. Sale Contract Contingency:** Any sale contract accepted by Seller should be contingent upon the written agreement of one or more lien
 18 holders to accept less than the amount(s) actually owed, and to provide written agreement on or before the scheduled closing date for the full
 19 release and satisfaction of its lien(s). Seller authorizes Brokerage to include Short Sale Addendum to Multi-Board Residential Real Estate Sales
 20 Contract 6.1 in any offer to sell the Property.

21 **3. Disclaimer:** Seller may not receive any net proceeds at closing and may owe additional monies at closing and/or thereafter. Seller further
 22 acknowledges that forgiveness of debt by lien holder(s) may result in taxable income to Seller. A short sale may negatively impact Seller’s credit
 23 rating and Seller acknowledges that other options, including but not limited to a loan modification or repayment plan, refinancing with a different
 24 lender, filing bankruptcy, allowing a foreclosure to proceed or negotiating a deed in lieu thereof, may be appropriate for Seller. **Seller should**
 25 **obtain competent legal advice regarding such options, since Illinois law prohibits Brokerage from providing legal advice.**

26 **4. Advertising:** Seller authorizes Brokerage to market the Property as a “short sale” or possible “pre-foreclosure property” in the MLS and other
 27 advertising media, facilitate a short sale, and to share such information with prospective buyers and their agents.

28 **5. Information and Cooperation:** Seller agrees to provide Brokerage and Lien holder(s) any information necessary to negotiate a short sale
 29 upon request (including, but not limited to):

- | | | |
|--|---------------------------------------|--------------------|
| 30 a) Executed Marketing Agreement and Sale Contract | d) Preliminary HUD from Title Company | g) Tax Returns |
| 31 b) Authorization letter(s) | e) Bills/Expense Statements | h) Hardship Letter |
| 32 c) Financial Statements, Pay Stubs and W2’s | f) Assets and liabilities | i) Appraisal |

33 **6. Brokerage Liability:** Involvement in a short sale may not preclude foreclosure proceedings. Absent separate agreement, a lien holder is not
 34 bound to accept less than the amount owed to it by Seller. Seller acknowledges that Brokerage makes no guarantees regarding the ability to
 35 secure a short sale nor the outcome of any negotiations with a lien holder, including but not limited to: (a) a lien holder’s rejection of the short
 36 sale terms; (b) failure of a lien holder to make a decision in timely manner; or (c) imposition of terms or conditions by a lien holder. Seller agrees
 37 to release and hold harmless and by executing this Supplement hereby releases and holds harmless from liability any real estate brokerage and its
 38 licensee(s) from negotiating with lien holder and/or participating in any sale transaction.

39 **7. No Authorization:** This form does not contain a release of information or authorization to communicate with the lien holder. If such
 40 authorization is needed, use Short Sale Authorization of Release Information form.

41 **8. Tax and Legal Advice:** A “short sale” may result in special tax consequences. Seller is advised to consult with a professional tax
 42 and/or financial advisor regarding the tax and other financial implications of entering into a short sale transaction. Seller should also
 43 obtain legal advice concerning the terms of any agreement with a lien holder, and to oversee, supervise and implement a “short sale”
 44 transaction.

45 _____
 46 Managing Broker (Print)

 Seller (Signature)

47 _____
 48 Managing Broker (Signature)

 Seller (Signature)

49 _____
 50 Date

 Date

51 _____
 52 Designated Agent (Signature)

53 _____
 54 Date