

WISCONSIN REALTORS® ASSOCIATION
4801 Forest Run Road
Madison, Wisconsin 53704

ADDENDUM SSL TO THE LISTING CONTRACT - SHORT SALES

1 This Addendum is made part of the Listing Contract signed by _____,
2 Seller, on _____, 20____, with respect to the Property at _____,
3 _____, Wisconsin.

4 ■ **SHORT SALE DEFINED:** The sale of the Property will likely be a short sale: the sales price may not be enough to pay all
5 debts and obligations secured by mortgages and other liens together with closing costs. Seller must negotiate a written
6 agreement with the lender whereby the lender will accept less than what is actually owed to release the mortgage on the
7 Property. Accordingly, any offer accepted by Seller must include a short sale contingency requiring prior lender approval of
8 the transaction. Although this addendum refers to "lender," "loan" and "mortgage" in the singular, Seller acknowledges that
9 multiple lienholders and lenders may need to release their mortgages and liens in exchange for less than the balances
10 owed in order to sell the Property.

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

15 ■ **CREDIT RATING CONSEQUENCES:** There may be adverse consequences to Seller's credit rating if the lender forgives
16 part of the amount owed, depending upon the lender's characterization of the short sale.

17 ■ **DOCUMENTATION FOR SHORT SALE APPLICATION:** Most lender loss mitigation departments will require financial
18 information from Seller. This may include a statement of need or hardship accompanied by supporting documentation;
19 employment verification along with paycheck stubs and W-2s or verification of a lost job; personal financial statements;
20 Seller's last two income tax returns; a cash flow analysis for Seller; an appraisal or CMA; the listing contract and this
21 addendum; and the accepted offers to purchase containing a lender approval contingency, once received. Seller agrees to
22 provide such information and documentation as is required by the lender. Broker may help Seller assemble and submit this
23 information to lender, and will furnish the lender with market data regarding the local housing inventory, home prices,
24 holding versus closing costs and such other documentation and information that may help Seller win lender approval.

25 ■ **AUTHORIZATION TO ASSIST SELLER IN MAKING ARRANGEMENTS WITH LENDER FOR SHORT SALE:** Seller
26 authorizes Broker to discuss with Seller's lender the details of Seller's loan and the lender's short sale requirements, submit
27 the needed Seller financial information and market data, and provide other non-legal assistance to expedite the short sale
28 process. Seller will provide written authorization letters to Broker as needed. Broker shall assist Seller to make
29 arrangements for short sales, but any negotiations involving legal, tax or personal financial advice must be handled by
30 Seller's attorney or other professional advisors.

31 ■ **AUTHORIZATION TO MARKET PROPERTY AS A SHORT SALE:** Seller authorizes Broker to disclose that the
32 transaction will be a short sale, with the offer subject to approval by Seller's lender.

33 ■ **LENDER APPROVAL WITHIN LENDER'S DISCRETION:** The approval of a short sale, the imposition of additional
34 conditions or a last minute reversal or rejection are all decisions made solely by the lender. The lender may require an "as is"
35 sale, forbid Seller payment of buyer's closing costs or prohibit the Seller from receiving any proceeds. Any new offer terms
36 and conditions required by lender must be mutually agreed to by the parties in an amendment to the offer. There is no
37 guarantee that the lender will approve a short sale and, if they do, they may still require Seller to pay the remaining
38 shortage. Seller recognizes that the parties may be forced to wait a very long time for the lender's response and that Broker
39 has no control over the outcome.

40 ■ **BROKER NOT LIABLE:** Seller understands that Broker does not control lender decisions. Seller shall not hold Broker
41 responsible if a lender rejects a short sale, imposes terms and conditions that are unacceptable to Seller or takes too long
42 making decisions. Broker is not responsible for verifying information provided by Seller.

43 **SELLER IS URGED TO CONSULT WITH AN ATTORNEY BEFORE AGREEING TO SHORT SALES**

44 _____
45 (Seller's Signature) ▲ (Date) ▲ (Seller's Signature) ▲ (Date) ▲

46 _____
47 (Listing Agent's Signature on Behalf of Broker) ▲ (Date) ▲