



SELLER'S SHORT SALE DISCLOSURE

Seller: _____
Property Address: _____
Mailing Address: _____
Date: _____

Gentry & Associates is a team specializing in negotiating short sales on behalf of property owners and Listing Agents. Gentry & Associates is not a licensed real estate brokerage although many members do hold active Real Estate Salesperson and/or Broker licenses with the state of Arizona. Gentry & Associates disclose that no member of the team holds a law degree or is a tax professional.

As the Seller(s) named above, we have been advised by Gentry & Associates of the following:

_____ (initial) **We are required to meet the financial obligations previously agreed upon with our lender(s) and/or any other creditor. We understand that we should contact the lender(s) directly with any questions concerning our financial obligations and agreement to pay.**

_____ (initial) **We have been advised that the members of Gentry & Associates are not attorneys or professional accountants and are not able to provide legal or tax advice. We have been additionally advised to seek professional legal and tax advice regarding all aspects of a short sale or foreclosure of the property noted above PRIOR to proceeding with a short sale.**

_____ (initial) **We have been advised that we may not qualify for a Short Sale or that the lender(s) may not approve a Short Sale. Furthermore, if a Senior lienholder approves the sale, a Junior lienholder may not or vice versa.**

_____ (initial) **We are aware that the property may not sell and could be foreclosed by the lienholder(s).**

_____ (initial) **We understand that credit may be affected by a short sale, an attempted short sale or a foreclosure. The Listing Agent/Negotiator cannot advise or predict the impact on credit.**

_____ (initial) **Filing Bankruptcy will immediately terminate our listing agreement unless Listing Agent/Negotiator has received written authorization from the Bankruptcy Court allowing us to proceed with the sale. We will notify our Listing Agent/Negotiator prior to taking such action.**

_____ (initial) **We have been advised that Gentry & Associates will be forwarding detailed financial information provided by us, including but not limited to, bank statements, tax returns and paystubs, to the lender(s). If any of our loans were procured through a program which did not require proof of income, assets and/or other financial information (often referred to as "Stated Income" loans or "No Asset Verification" loans), providing this information to the lender could create legal action against us from our lender(s).**

Furthermore, Sellers have been advised:

GENERAL: Not all short sales are successful, through no fault of the seller, buyer, the Listing Agent/Negotiator/Broker or the lender(s). The result of an unsuccessful short sale is often foreclosure. If you are delinquent on your loan(s) and elect to re-instate your loan by paying all delinquencies, you may be faced with late fees, penalties and/or legal fees from your lender(s) or other agencies. You will need to contact your lender directly to understand what fees and/or penalties may apply.

Listing Agent/Negotiator has no way of knowing what last minute requirements your lender(s) may request or impose when negotiating the short sale. Some home loans may not be fully or partially released through a short sale or foreclosure and the lender may have additional recourse against you. This includes, but is not limited to, an agreement to sign an unsecured or secured promissory note or cash due at closing. Additionally, there are often tax ramifications associated with short sales and foreclosures, including, but not limited to, the issuance of an IRS tax for 1099 for the shortfall of the mortgage debt and additional costs or fees incurred by the lender(s). The successful closing of a short sale does not always preclude the lender from having future recourse against you. Although every effort will be made to obtain a full release/payoff status on your loan(s), neither the listing agent nor Gentry & Associates can promise how the lender will handle any deficiency of the loan (s). We strongly advise you to seek professional tax and legal advice concerning these, and all other legal and tax possibilities.

You have represented to Listing Agent/Negotiator that you are no longer able to meet the financial obligations of the property listed above. Should Listing Agent/Negotiator become aware that this is no longer the case, that you have been fraudulent in the information you have provided, or have intentionally or unintentionally failed to disclose accurate information, Listing Agent/Negotiator will immediately cancel the listing agreement and notify your lender(s) that we have done so. Listing Agent/Negotiator may be required to notify your lender of any indication or possibility of fraudulent activities.

PROPERTY CONDITION & INSPECTION: Although the property will be offered "AS-IS", the Buyer is entitled to do inspections to determine their satisfaction with the condition of the property (see lines 182-253 of the AAR Purchase Contract). In compliance with the AAR As-Is Addendum, the property must be in the SAME condition on the date of close of escrow as it is on the date the offer is produced. Any changes to the condition of the property can seriously jeopardize the pending close of escrow. Furthermore, please be advised that should the property be sold in a Trustee's Sale (Foreclosure), the lender can seek legal action against you for any damage to the property which affects the marketability or market value of the property.

_____ (initials) **UPDATED INFORMATION:** You will be required to provide updated bank statements and pay stubs monthly, at a minimum. In order to provide this information upon immediate request from the lender, please submit this information to Gentry & Associates each time you receive them. Having to request the information from you slows the process and can cause the lender to close the file.

_____ (initials) **UTILITIES:** The offer you sign and submit to the lender will likely REQUIRE that ALL utilities be ON to the property during the inspection period and at final walkthrough. If you elect to shut off utilities, you will likely be REQUIRED to establish service for the inspection period through close of escrow. Please do not jeopardize your relationship with the utility companies which would prohibit them from allowing you to have service.

_____ (initials) **HOA:** Your homeowner's association may have the ability to file legal action against you for any delinquent HOA dues or fines. Most lenders will not authorize the payment of past HOA dues, penalties or fines. **We REQUIRE that you keep your HOA dues current and abide by all rules and regulations of the HOA in order to avoid any penalties or fines. If Listing Agent/Negotiator incurs, or elects to incur expenses associated with the HOA, Listing Agent/Negotiator reserves the right to seek payment from the Seller after close of escrow or termination of Listing Agreement, including, but not limited to legal action.**

_____ (initials) **By signing this disclosure, you authorize Listing Agent/Negotiator to release information concerning any offers on the property to interested parties if Listing Agent/Negotiator feels it is in the Seller's best interest. Furthermore, you authorize the Listing Agent/Negotiator to make adjustments to the list price as necessary to position for current market conditions or in response to requirements of the lender.**

TIME NEEDED TO OBTAIN THIRD PARTY APPROVAL: Third party contract review and response times vary depending upon the lender and particular circumstances. Generally, the Listing Agent/Negotiator is not able to estimate how long the approval(s) may take since so much of the process is not within our control. Generally, the time required to obtain third party approval can take as long as 4-24 weeks or more. Listing Agent/Negotiator will do everything possible to expedite the process and keep you informed along the way. Your patience is greatly appreciated.

FEES/DEPOSIT: Upon a successful closing, your lender will generally pay the commission agreed upon in the Listing Agreement (or an amount negotiated between the Listing Agent/Negotiator and Lender). Since there is a great deal of effort, time and resources utilized to initiate and process a short sale, Gentry & Associates requires the following non-refundable retainer fee to proceed with a short sale:

\$ 495.00	No foreclosure (trustee's sale) date is scheduled – or more than 45 days away.
995.00	Less than 45 days prior to trustee's sale date OR if property is tenant occupied OR if the short sale is "strategic" in nature and not predicated by substantial hardship.
1,495.00	IRS or State Tax Lien on property unless Certificate of Discharge is provided.

As Gentry & Associates is committed to providing our negotiation service to as many distressed homeowners as possible, a waiver of this fee may be available. If you feel that due to excessive financial hardship, you are unable to pay this fee, you may submit all required documentation (attached) and a written request for a waiver. Each request will be evaluated on a case by case basis and will be made at the sole discretion of Gentry & Associates. This fee is payable to Keller Williams Integrity First Realty (or to the brokerage which will be listing your property) and will be reflected in your listing agreement as a Retainer Fee.

_____ (initials) We acknowledge that the deposit is non-refundable at any time for any reason and DOES NOT guarantee a successful short sale or postponement any impending or future trustee's sale.

_____ (initials) We have been advised that Gentry & Associates may charge additional processing, mitigation and/or negotiation fees directly to the lender(s) but will never allow a closing to be impaired over the lender(s) refusal to pay such fees. These fees will never be imposed upon the Seller or Listing Agent.

BY SIGNING BELOW, YOU ACKNOWLEDGE THAT YOU HAVE REVIEWED AND RECEIVED A COPY OF THIS DOCUMENT AND AGREE TO ALL TERMS CONTAINED HEREIN.

Seller		Seller		Date
Date				Date

For use when Gentry & Associates provides Negotiation Services ONLY and is not the Listing Agent:

In addition to the above, Seller authorizes Listing Agent named below to utilize the services of Gentry & Associates, on our behalf, to negotiate the terms of a short sale on our property noted above.

Seller		Seller		Date
Date				Date

BY SIGNING BELOW, LISTING AGENT ACKNOWLEDGES THAT THEY HAVE REVIEWED AND RECEIVED A COPY OF THIS DOCUMENT AND WILL SUPPORT Gentry & Associates IN THE POLICIES AND TERMS NOTED ABOVE.

Listing Agent	Date
---------------	------