

Date: [Insert Date]

To: [Name of Seller/Buyer]

From: [Name of Sender]

Property Address: [Insert Full Property Address]

Subject: Mutual Termination of Purchase Agreement - Appraisal Contingency

Dear [Name of Other Party],

This letter serves as a formal agreement between the Buyer and the Seller to mutually terminate the real estate purchase contract dated [Insert Original Contract Date] for the property located at [Insert Property Address].

The termination is based on the Appraisal Contingency. The independent appraisal conducted on [Insert Date] valued the property at \$[Insert Appraised Value], which is lower than the agreed-upon purchase price of \$[Insert Contract Price]. Following negotiations, both parties have decided not to proceed with the transaction under the current terms.

By signing this document, both Buyer and Seller agree to the following:

- The Purchase Agreement is hereby rendered null and void.
- Both parties are released from all further obligations and liabilities under said contract.
- The Earnest Money Deposit in the amount of \$[Insert Amount] shall be returned to the Buyer in full.

Please sign below to indicate your acknowledgement and acceptance of this mutual cancellation.

Sincerely,

\_\_\_\_\_  
[Buyer Signature]

\_\_\_\_\_  
[Seller Signature]

Date: \_\_\_\_\_