

[Date]

[Borrower Name]  
[Property Address]  
[City, State, Zip Code]

**RE: Short Sale Approval and Closing Instructions**

Loan Number: [Insert Loan Number]  
Property Address: [Insert Property Address]

Dear [Borrower Name],

[Mortgage Servicer Name] has approved the short sale of the property referenced above. This approval is subject to the following terms and conditions:

- 1. Purchase Price:** The gross sales price must be at least \$[Amount].
- 2. Net Proceeds:** [Mortgage Servicer Name] must receive a minimum net payment of \$[Amount].
- 3. Closing Date:** The transaction must close on or before [Date]. If the closing is delayed, a written extension must be requested and approved.
- 4. Allowed Expenses:** Only the following expenses may be deducted from the sale proceeds:
  - Real estate commissions (not to exceed [Percentage]%)
  - Customary local transfer taxes and recording fees
  - Title insurance and escrow fees
  - Approved property repairs (if applicable)
- 5. Deficiency Waiver:** [Choose one: The servicer agrees to waive the remaining deficiency balance / The borrower remains responsible for the deficiency balance of \$[Amount].]
- 6. Arm's Length Transaction:** The sale must be an "Arm's Length Transaction." Neither the buyers nor the sellers can be related by blood, marriage, or business enterprise.
- 7. No Proceeds to Seller:** The borrower(s) shall not receive any proceeds or cash back from this sale transaction.

Upon receipt of the certified funds and a final Settlement Statement (HUD-1/CD), we will move to release the lien on the property. Please provide the final closing documents to [Contact Name/Department] via fax at [Fax Number] or email at [Email Address].

Sincerely,

[Name of Authorized Representative]

[Title]

[Mortgage Servicer Name]