

**[Lender Name]**  
[Lender Address]  
[City, State, Zip Code]

**DATE:** [Current Date]

**TO:** [Title Company/Closing Agent Name]  
**ATTN:** [Escrow Officer Name]  
**RE:** Short Sale Closing Instructions

**Borrower(s):** [Borrower Name(s)]  
**Property Address:** [Full Property Address]  
**Loan Number:** [Loan Number]

Dear [Escrow Officer Name],

[Lender Name] ("Lender") has approved the short sale of the above-referenced property. This approval is subject to the following closing instructions and conditions:

- 1. NET PROCEEDS:** Lender must receive a minimum net recovery of \$[Amount]. Any reduction in this amount must be approved in writing by the Lender prior to closing.
- 2. CLOSING DATE:** The transaction must close on or before [Expiration Date]. If the sale does not close by this date, this approval is void unless a written extension is granted.
- 3. ALLOWABLE COSTS:** Only the following expenses may be deducted from the gross sales price:
  - Real Estate Commissions: [Percentage]%
  - Property Taxes: Pro-rated to closing date
  - Title and Escrow Fees: [Amount/Standard Fees]
  - [Other Approved Expense]: [Amount]
- 4. PROHIBITED DISBURSEMENTS:** No proceeds are to be paid to the Borrower(s), junior lienholders (unless specified in this letter), or for any repairs, credits, or home warranties not explicitly approved here.
- 5. ARMS-LENGTH TRANSACTION:** This sale must be an "Arms-Length Transaction." The Buyer and Seller cannot be related by blood, marriage, or business affiliation.
- 6. FINAL HUD-1/CLOSING DISCLOSURE:** A draft of the final Settlement Statement must be sent to the Lender for review and final approval at least 48 hours prior to closing.
- 7. WIRE INSTRUCTIONS:** All funds must be wired to the following account immediately upon closing:
  - Bank Name: [Bank Name]
  - Routing Number: [Routing Number]

- Account Number: [Account Number]
- Reference: [Loan Number / Borrower Name]

Upon receipt of the required net proceeds, the Lender will release the lien on the property. Please contact [Contact Name] at [Phone Number] with any questions.

Sincerely,

[Authorized Signature]  
[Name and Title]  
[Lender Department Name]