

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

Date: [Current Date]

To: [Escrow/Closing Agent Name]
[Company Name]
[Address]

RE: Short Sale Closing Instructions and Deficiency Waiver

Loan Number: [Loan Number]
Property Address: [Property Address]
Seller(s): [Seller Names]

This letter serves as formal authorization and instruction regarding the short sale of the property referenced above. [Lender Name] agrees to accept a net payoff amount of \$[Dollar Amount] to release its lien on the property, subject to the following conditions:

- **Closing Date:** The transaction must close on or before [Expiration Date].
- **Net Proceeds:** The lender must receive the exact net amount specified above. Any deviation requires written approval.
- **Arm's Length Transaction:** The sale must be an arm's length transaction between unrelated parties.
- **No Seller Proceeds:** The Seller(s) shall receive no proceeds or funds from this transaction.

Waiver of Deficiency:

Upon receipt of the agreed-upon funds and successful recording of the deed, [Lender Name] hereby agrees to waive any and all rights to pursue a deficiency judgment against the Seller(s) for the remaining balance of the loan. The debt shall be considered settled for less than the full balance, and the lien shall be fully released.

Reporting:

The lender will report the status of the account to the credit bureaus as "Settled for less than the full balance" or as required by applicable law.

Please deliver the final Closing Disclosure or HUD-1 Settlement Statement to our office for final review 48 hours prior to closing.

Sincerely,

[Authorized Representative Name]
[Title]
[Lender Name]

Acknowledgment by Closing Agent:

I, the undersigned, acknowledge and agree to follow the instructions provided above.

Signature: _____ Date: _____