

DATE: [Insert Date]

TO: [Closing Attorney/Escrow Agent Name]

ATTN: [Contact Person]

RE: Short Sale Closing Instructions

LOAN INFORMATION:

Borrower(s): [Borrower Name(s)]

Property Address: [Full Property Address]

Servicer Loan Number: [Loan Number]

FHA/VA/USDA Case Number: [Case Number, if applicable]

Dear [Name],

This letter serves as the formal closing instructions for the government-backed short sale of the property referenced above. Please ensure strict adherence to the following requirements to ensure the release of the mortgage lien:

1. NET PROCEEDS:

The servicer requires a minimum net recovery of \$[Insert Amount]. All funds must be wired to the account information provided in the formal Approval Letter dated [Date].

2. APPROVED EXPENSES:

Only the following expenses are authorized to be deducted from the gross sales price:

- Real Estate Commissions: [Amount/Percentage]
- Seller Incentives (if applicable): [Amount]
- Closing Costs/Title Fees: [Amount]
- Approved Delinquent Taxes: [Amount]

No additional credits, repairs, or administrative fees may be paid from sale proceeds without prior written consent from the servicer.

3. SELLER PROHIBITION:

Under the terms of this government-backed program, the seller(s) may not receive any funds from this transaction. Any "cash-to-seller" must be restricted to the approved relocation assistance amount of \$[Amount], if applicable.

4. DOCUMENTATION REQUIRED:

The following documents must be returned to the servicer within 24 hours of closing:

- Final Certified Settlement Statement (ALTA/CD) signed by all parties.
- Executed Arm's Length Transaction Affidavit.
- Copy of the recorded Warranty Deed (or proof of recording).

5. ARMS-LENGTH TRANSACTION:

This sale must be an "arm's-length" transaction. The buyers and sellers cannot be related by blood, marriage, or business enterprise.

6. EXPIRATION:

These instructions and the short sale approval expire on [Expiration Date]. If the sale does not close by this date, a written extension must be requested and approved.

Please contact [Servicer Representative Name] at [Phone Number] immediately if there are any changes to the settlement figures or if the closing is delayed.

Sincerely,

[Your Name/Company Name]

[Title]

[Contact Information]