Prudential

Americana Group,
REALTORS®

MEMORANDUM OF WARNING CONCERNING SELLER PERFORMING A 'SHORT SALE'

Date: _____

Seller(s): _____

Americana Agent(s): _____

Property Address: _____

TO BETTER SERVE YOU AND FOR YOUR PROTECTION YOUR BROKER PRUDENTIAL®, AMERICANA GROUP, REALTORS® OFFERS THE FOLLOWING LIMITED WARNING CONCERNING SHORT SALES.

This memorandum is not complete and does not list all dangers of a short sale. It is designed for your information only.

Definition: A short sale (aka shorted sale) occurs when a property is sold, and the lender agrees to accept a discounted payoff, meaning the lender will release the lien that is secured to the property upon receipt of less money than is actually owed.

Financial Consequence: Seller is aware that the Internal Revenue Service will consider debt forgiveness by the lender as income, and that there is no guarantee that a lender who accepts a short sale will not legally pursue a borrower for the difference between the amount owed and the amount paid. In some states, this amount is known as a deficiency.

Consult with an Accountant or Attorney: The rules concerning a 'short sale' are complicated and may come with unexpected financial and tax consequence. Seller is advised to make a thorough examination of its personal financial situation with an experienced tax professional and/or attorney prior to the finalization of the 'short sale.'

Time: It may require three (3) weeks or more to receive an answer from the lender, and the lender is not under any obligation to approve a short sale.

Call the Lender: It may require numerous phone calls by the Seller before reaching the person responsible for handling short sales.

Letter of Authorization: The Seller may be required to send to the lender a letter (containing information such as: your name, the date, property address, loan reference number; seller's salesperson's name and contact information) giving the lender permission to talk with specific interested parties about your loan.

Hardship Letter: The Seller may be required to send a letter describing why a short sale is required.

Proof of Income and Assets: The Seller may be required to submit a financial disclosure form with information concerning Seller's savings accounts, money market accounts, stocks or bonds, negotiable instruments, cash, or other real estate holdings, or anything of tangible value as well as copies of bank statements.

Hold Harmless: The Seller declares they are not receiving any tax or legal advice as to the proposed 'short sale' and agrees to hold Americana harmless, including but not limited to any alleged breaches of agency and/or duties owed in association with the transaction of the Seller performing a 'short sale', as described in NRS Chapter 645, NRS 113, and the Code of Ethics and Standards of Practice of the NATIONAL ASSOCIATION OF REALTORS ®.

Seller	Seller	Date