

## **“Short – Sale” / Foreclosure Disclosure (Buyers)**

Buyers considering entering into a contract of sale on properties classified as “short – sales” acknowledge the following:

1. The advertised price is no or little indication as to the final price the bank or lien holder(s) will accept. The actual settlement price will be decided after weeks or months of negotiations and is not final until the closing statement is approved by the bank/lien holders.
2. The closing time, for those that actually receive final approval and close, range from 90 to 180 days with some 9 to 12 months.
3. Generally, there is no money for repairs nor motivation for the seller to effect repairs as the seller receives no funds from closing. FHA and VA loans that require repairs prior to closing will withhold approval.
4. The seller will continue to review additional offers and present them to the Bank/lien-holder(s) during the process and the bank will withhold final acceptance as they in effect look for a better offer to limit their loss. Should bank approve a subsequent offer by another buyer, you, the original buyer will simply receive notice that your contract was not “accepted” by the bank/lien-holder (as per the “bank approval” contingency in your contract) and they will move forward with the better contract. The funds invested in inspections, loan origination and appraisal may be lost.
5. Sellers participating in short – sales may be in financial distress and as a result may encumber the property with additional legal entanglements that may delay or impact transfer of the property.

Acknowledged: \_\_\_\_\_ Date \_\_\_\_\_  
Buyer(s)