

**BMO Harris Bank N.A.**

**Short Sale Purchase Contract Addendum**

Dated: \_\_\_\_\_

Seller: \_\_\_\_\_

Seller: \_\_\_\_\_

Buyer: \_\_\_\_\_

Buyer: \_\_\_\_\_

Property: \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_

This Addendum to the Purchase Contract representing a short sale agreement (the "Addendum") entered into and effective as of \_\_\_/\_\_\_/\_\_\_ by and between, above identified seller(s) ("Seller"), above identified buyer(s) ("Buyer") and if applicable, the broker representing the Seller ("Broker") (collectively hereinafter referred to as "the Parties") and shall be deemed to amend, modify, and supplement that certain Purchase Contract dated \_\_\_/\_\_\_/\_\_\_ by and between Seller and Buyer (the "Purchase Contract," together with this Addendum, the "Contract").

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Short Sale Purchase Contract Addendum and of the representations, warranties, conditions and promises hereinafter acknowledged, Sellers and Buyers hereby agree as follows:

1. The property is commonly referred to as: \_\_\_\_\_ ("Property").
2. The Property described above is being sold "AS IS" and this sale will be made without any warranties, expressed or implied, as to its fitness for use or condition, even as to warranty of title.
3. The Parties acknowledge and agree that the Seller may cancel this agreement prior to the ending date of the contract period without advance notice to the Broker and without payment of a commission of any other consideration, if the title to the Property is conveyed via foreclosure, deed in lieu or any other document to the mortgage lien holder(s).
4. The Parties acknowledge and agree that the Property must be sold through an "Arm's-Length" Transaction. "Arm's Length" mean two unrelated parties characterized by a selling price and other terms and conditions that would prevail in a typical real estate transaction. No Party to this contract is a family member, related by blood or marriage, is a business associate or shares a business interest with the Sellers.
5. The Parties acknowledge and agree that neither the Buyers nor the Sellers nor their respective Brokers/Agents have any agreements written or oral that will permit the Seller or the Seller's family member to remain in the property as renters or regain ownership of said property at any time after the execution of the transaction. This includes if the seller is retaining a direct or indirect ownership or possessory interest in the property and/or has a formal or informal option to obtain such interest in the future.
6. The Parties acknowledge and agree that neither the Buyer or Seller shall receive any proceeds from this transaction.
7. The Parties acknowledge and agree the purchase contract cannot have any provisions for Assignment/Assignee and/or Option to purchase. BMO Harris Bank N. A. or its Subsidiaries will NOT approve any transactions with these sales contract provisions and any such provisions are expressly deemed unapproved.
8. Buyer agrees that property cannot be sold or transferred within 60 days of closing.

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- 9. The Parties acknowledge and agree that they will provide to BMO Harris Bank N.A. or its Subsidiaries all material documents involved in the short payoff transaction, including but not limited to the Buyer(s') and Seller(s') HUD-1 Settlement Statements.
- 10. The Parties acknowledge and agree that this transaction will not constitute appraisal fraud, flipping, identity theft and/or straw buying. The Parties acknowledge that they have reviewed or have the opportunity to review all documents in this transaction, including the appraisal.
- 11. The Parties acknowledge and agree that any misrepresentation or deliberate omission of fact that would induce BMO Harris Bank N.A., its Subsidiaries, an Investor or a Mortgage Insurer to agree to the terms of a short payoff that would not have been approved had all facts been known, constitutes fraud and may subject the responsible Party to civil and/or criminal liability.
- 12. The Parties acknowledge and agree that this Addendum, together with the Purchase Contract, shall constitute the entire and sole agreement between the Parties with respect to the sale of the Property and supersede any prior agreements, negotiations, understandings, optional contracts or other matters, whether oral or written, with respect to the subject matter hereof. To the extent that any term or condition contained within the Purchase Contract is contradictory or inconsistent with this Addendum, the Parties agree that this Addendum shall supersede. No alterations, modifications or waiver of any provision hereof shall be valid unless in writing and signed by Parties, FHA, VA, government agencies, any investor and/or mortgage lien holder hereto.
- 13. The Parties agree that the acceptance of the transaction is contingent upon the approval of any mortgage insurer/guarantor, mortgage lien holder and any subordinate lien holders. The Parties acknowledge that the mortgage lien holder(s) are not obligated to approve this transaction. The Parties also acknowledge that the mortgage lien holder may negotiate any purchase price or proposed additional terms.
- 14. If the Seller(s) has a real estate license, the Seller(s) cannot earn a commission by selling their own property.
- 15. If the Brokers/Agents involved in the transaction fail to act in good faith in selling the Property or should any party engage in misrepresentation; the transaction will be denied or rescinded.
- 16. Parties acknowledge and agree that during the short sale process, loan servicing may be transferred to a different loan servicer. Servicing refers to collecting principal, interest, and escrow payments, if any, as well as sending monthly and annual statements, tracking account balances, and handling other aspects of the loan. The mortgage lien holder may assign, sell or transfer the servicing of a loan at any point while the loan is outstanding. The Seller will be given notice of the transfer. Depending on the status of the short sale when the servicing of the loan is transferred, the new servicer may not be required to accept the terms and conditions of a short sale.

IN WITNESS WHEREOF, the Parties have acknowledged the terms and conditions and have executed this Addendum as evidenced by the signatures appearing below:

Seller: \_\_\_\_\_ Buyer: \_\_\_\_\_

Seller: \_\_\_\_\_ Buyer: \_\_\_\_\_

Seller Agent \_\_\_\_\_

Firm: \_\_\_\_\_ Phone \_\_\_\_\_

Buyer Agent \_\_\_\_\_

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Firm: \_\_\_\_\_ Phone \_\_\_\_\_