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

Date: [Date]

RE: Short Sale Approval and Options Notice

Borrower(s): [Borrower Name(s)]
Property Address: [Property Address]
Loan Number: [Loan Number]

Dear [Borrower Name(s)],

We are pleased to inform you that [Lender Name] has conditionally approved the short sale request for the property referenced above. This approval is based on the purchase contract dated [Date] between you and [Buyer Name] for the purchase price of $[Amount].

1. Approval Conditions
This approval is subject to the following terms:

- The sale must close on or before [Expiration Date].
- Net proceeds to [Lender Name] must be no less than $[Minimum Net Amount].
- The seller shall receive no proceeds from this transaction.
- [Additional Condition, e.g., Junior lien releases].

2. Options Regarding Deficiency
Regarding the remaining balance on your loan (the "deficiency"), please review the selected option below:

- **Option A: Full Waiver.** Upon successful closing, the lender agrees to waive all rights to pursue a deficiency judgment and will consider the debt settled in full.
- **Option B: Promissory Note.** As a condition of this sale, the borrower agrees to execute a new promissory note in the amount of $[Amount] to be paid over [Number] months.
- **Option C: Deficiency Reserved.** The lender reserves the right to pursue the remaining balance as permitted by state law.

3. Tax and Credit Impact
Please be advised that this short sale may have tax consequences or impact your credit score. We recommend you consult with a tax professional and a credit counselor.

4. Next Steps
To proceed, please sign and return this letter by [Deadline Date]. If the sale does not close by the expiration date, this approval will be void.

Sincerely,

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

Acknowledgment and Acceptance:

I/We agree to the terms and conditions outlined in this letter.

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[Borrower Signature] [Date]