

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

Date: [Current Date]

RE: SHORT SALE PAYOFF APPROVAL

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

Dear [Borrower/Agent Name],

This letter serves as formal notification that [Lender Name] has approved the short sale of the property referenced above. We agree to accept a discounted payoff amount subject to the following terms and conditions:

1. Minimum Net Proceeds: [Lender Name] must receive no less than \$[Amount] in certified funds.

2. Closing Date: The transaction must close and funds must be received no later than [Expiration Date]. If the closing is delayed, this approval will be void unless extended in writing.

3. Allowed Expenses: The following closing costs are authorized to be deducted from the gross sales price:

- Real Estate Commissions: \$[Amount]
- Title and Escrow Fees: \$[Amount]
- Property Taxes (Prated): \$[Amount]
- Other Approved Costs: \$[Amount]

4. Deficiency Waiver: (Select one)

Upon receipt of the agreed funds, the lender waives all rights to pursue a deficiency judgment against the borrower.

The lender reserves the right to pursue a deficiency judgment for the remaining balance.

5. Arm's Length Transaction: This approval is contingent upon an "Arm's Length Transaction." The buyer and seller must not be related by blood, marriage, or business affiliation.

6. Reporting: The lender will report this account to the credit bureaus as "Settled for less than full balance" or similar language as required by law.

Please provide a final HUD-1 or Closing Disclosure at least 48 hours prior to closing for final review.

Sincerely,

[Name of Authorized Representative]

[Title]

[Lender Name / Loss Mitigation Department]