

[Date]

[Lien Holder Name]

[Short Sale Department Address]

[City, State, Zip Code]

RE: RELEASE OF LIEN / SHORT SALE APPROVAL

Borrower Name: [Borrower Name]

Property Address: [Full Property Address]

Loan Number: [Junior Loan Number]

Escrow/File Number: [Escrow Number]

To Whom It May Concern,

This letter serves as formal notification that [Junior Lien Holder Name] agrees to accept a discounted payoff in the amount of \$[Settlement Amount] as full and final settlement of the above-referenced junior lien. This agreement is subject to the successful short sale closing of the property located at [Property Address].

Upon receipt of the specified funds from the closing agent, [Junior Lien Holder Name] agrees to:

- Release the lien against the subject property.
- Execute and deliver a full satisfaction/release of mortgage or deed of trust.
- Cease all further collection efforts against the borrower regarding this specific debt.
- Report the account to the credit bureaus as "Settled for less than full balance" (if applicable).

Terms and Conditions:

1. This approval is valid until [Expiration Date].
2. The settlement payment must be received via wire transfer within [Number] business days of closing.
3. There shall be no remaining deficiency balance or personal judgment sought against the borrower.
4. This agreement is contingent upon the successful closing of the senior lien holder's short sale.

Please provide the final wiring instructions to the escrow officer at [Escrow Officer Email/Phone].

Sincerely,

[Authorized Signature]

[Name and Title of Representative]

[Lien Holder Name]