

Date: [Insert Date]

To: [Insert Settlement Agent/Title Company Name]

Attention: [Insert Closer Name]

Address: [Insert Address]

RE: Short Sale Closing Instructions and Lien Release

Borrower(s): [Insert Borrower Names]

Property Address: [Insert Property Address]

Loan Number: [Insert Loan Number]

Short Sale Approval Date: [Insert Date of Approval Letter]

Dear [Insert Name],

This letter serves as the closing instructions for the short sale of the property referenced above. [Insert Lender Name] ("Lender") agrees to accept a payoff amount of \$[Insert Net Amount] to release its lien on the property, subject to the following terms and conditions:

1. **Closing Date:** The transaction must close on or before [Insert Expiration Date].
2. **Net Proceeds:** Lender must receive the exact net sum of \$[Insert Amount] via wire transfer.
3. **Settlement Statement:** A final certified HUD-1 or Closing Disclosure must be reviewed and approved by Lender prior to funding. No unauthorized credits, commissions, or payouts are permitted.
4. **No Cash Back:** The Borrower(s) shall not receive any proceeds or "cash back" from this transaction unless explicitly authorized in writing.
5. **Arm's Length Transaction:** The sale must be an arm's length transaction between unrelated parties.

Release of Lien:

Upon receipt and verification of the required funds, Lender will:

- Execute and deliver a satisfaction or release of the mortgage/deed of trust for recording in the local land records.
- [Optional] Release the Borrower from further personal liability regarding the deficiency balance (OR) [Optional] Retain the right to pursue a deficiency judgment for the remaining balance.

Wiring Instructions:

Bank Name: [Insert Bank Name]

ABA/Routing Number: [Insert Routing Number]

Account Number: [Insert Account Number]

Reference: [Insert Loan Number / Borrower Name]

Failure to comply with these instructions will render the short sale approval null and void. Please contact [Insert Contact Person] at [Insert Phone Number] with any questions.

Sincerely,

[Insert Name/Signature]
[Insert Title]
[Insert Lender Name]