

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

Date: [Current Date]

RE: Short Sale Payoff and Satisfaction of Mortgage/Deed of Trust

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

To Whom It May Concern,

This letter serves as formal notification that [Lender Name] has accepted the sum of \$[Settlement Amount] as full and final payment for the short sale of the property referenced above.

By accepting these funds, [Lender Name] agrees to the following:

- **Release of Lien:** The lender will release its lien against the property and execute a Satisfaction of Mortgage or Reconveyance of Deed of Trust within [Number] days of receipt of funds.
- **Full Satisfaction:** The payment is accepted as full satisfaction of the debt. The borrower is hereby released from all further personal liability and obligations related to the aforementioned loan.
- **Waiver of Deficiency:** [Lender Name] expressly waives any and all rights to pursue a deficiency judgment against the borrower(s) for the difference between the loan balance and the payoff amount.
- **Credit Reporting:** The lender will report the account to the credit bureaus as "Settled for less than full balance" or "Paid in full for less than the full balance" with a zero balance remaining.

Please provide the recorded lien release to the borrower or their designated representative at the following address: [Mailing Address for Release].

Sincerely,

[Authorized Signature]
[Printed Name]
[Title]
[Lender Name]