

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

Date: [Current Date]

RE: SHORT SALE RELEASE AND DISCHARGE OF LIEN

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

To Whom It May Concern,

This letter serves as formal notification and agreement regarding the short sale of the property located at [Property Address]. [Lender Name] (the "Lender") hereby approves the sale of the subject property for the purchase price of \$[Gross Sale Price].

Upon receipt of the net proceeds in the amount of \$[Net Amount] as specified in the approved HUD-1/Settlement Statement dated [Closing Date], the Lender agrees to the following:

1. **Lien Release:** The Lender shall release its lien and mortgage interest against the subject property to allow for the transfer of clear title to the purchaser.
2. **Satisfaction of Debt:** The payment of the net proceeds shall be accepted as [Full Satisfaction / Partial Satisfaction] of the total mortgage indebtedness.
3. **Deficiency Waiver:** [Choose one: The Lender hereby waives any and all rights to pursue a deficiency judgment against the Borrower(s) for the remaining balance / The Lender reserves the right to pursue a deficiency judgment for the remaining balance of \$[Amount]].
4. **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."

The Lender will execute and deliver a formal Satisfaction of Mortgage or Release of Lien to the appropriate county recording office within [Number] days of receiving the final settlement funds.

Sincerely,

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