

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

Date: [Date]

RE: INITIAL SHORT SALE APPROVAL

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

Dear [Borrower/Agent Name],

[Lender Name] has conditionally approved the short sale request for the property referenced above. This approval is based on the terms of the Purchase Contract dated [Contract Date] between [Seller Name] and [Buyer Name].

The approval is subject to the following conditions:

- **Purchase Price:** The gross sales price must be at least \$[Amount].
- **Net Proceeds:** [Lender Name] must receive a minimum net payment of \$[Amount].
- **Closing Date:** The transaction must close on or before [Expiration Date].
- **Commission:** Real estate commissions are limited to [Percentage]% of the sales price.
- **Seller Contribution:** The Seller is required to contribute \$[Amount] at closing (if applicable).
- **No Hidden Transfers:** The sale must be an "arm's length transaction." The Buyer and Seller cannot be related by blood or business interest.

Required Documentation for Final Approval:

Prior to closing, the following documents must be submitted for final review:

- A preliminary Settlement Statement (HUD-1 or Closing Disclosure).
- A signed Arm's Length Affidavit.
- Any updated title reports or lien payoff information.

Upon successful closing and receipt of the net proceeds, [Lender Name] will release the lien on the subject property. This approval is specific to the current offer; any changes to the purchase price or credits must be re-approved in writing.

Sincerely,

[Authorized Signature]
[Name and Title]
[Lender Department Contact Information]