

**[Date]**

**Lender Name:** [Lender Name]

**Loan Number:** [Loan Number]

**Property Address:** [Full Property Address]

Dear [Contact Name or Department],

This letter serves as a formal agreement between **[Lender Name]** ("Lender") and **[Borrower Name]** ("Borrower") regarding the short sale of the property located at the address listed above.

The Lender agrees to accept a net payoff amount of **[\$Amount]** as full satisfaction of the outstanding mortgage debt. This agreement is subject to the following terms and conditions:

- **Closing Date:** The sale must close on or before [Date].
- **Net Proceeds:** The Lender shall receive no less than the agreed net amount from the sale proceeds.
- **Release of Lien:** Upon receipt of the funds, the Lender will release the mortgage lien on the property.
- **Deficiency Waiver:** The Lender agrees to waive any and all rights to pursue a deficiency judgment against the Borrower for the remaining balance of the loan.
- **Credit Reporting:** The Lender will report the account to credit bureaus as "Settled for less than full balance" or "Paid in short sale."

No funds from the sale proceeds shall be paid to the Borrower, and no unauthorized credits or commissions shall be paid to any third parties without prior written consent from the Lender.

This agreement is valid only for the transaction involving the purchaser, **[Buyer Name]**.

Please acknowledge your acceptance of these terms by signing below.

Sincerely,

\_\_\_\_\_  
[Authorized Representative Name]

[Lender Name]

\_\_\_\_\_  
[Borrower Name]

[Borrower Signature Date]