

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

Date: [Date]

RE: APPROVAL OF SHORT SALE AND WAIVER OF DEFICIENCY

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

Dear [Borrower Name],

This letter serves as formal notification that [Lender Name] has approved the short sale of the property located at [Property Address] under the following terms and conditions:

- 1. Purchase Price:** The total purchase price must be at least \$[Amount].
- 2. Net Proceeds:** [Lender Name] must receive a minimum net payment of \$[Amount] no later than [Closing Date].
- 3. Waiver of Deficiency:** Upon successful closing and receipt of the net proceeds, [Lender Name] agrees to waive any and all rights to pursue a deficiency judgment against the Borrower(s). The remaining balance on the loan will be forgiven and the account will be reported to the credit bureaus as "Settled for less than full balance."
- 4. Arms-Length Transaction:** This sale must be an "arms-length" transaction. The Buyer and Seller may not be related by blood, marriage, or business enterprise.
- 5. Seller Proceeds:** The Borrower(s) shall not receive any proceeds from the sale of this property.
- 6. Tax Implications:** The Borrower(s) may incur tax consequences due to the cancellation of debt. [Lender Name] will issue a Form 1099-C as required by the IRS. We recommend consulting a tax professional.

This approval is contingent upon the closing occurring on or before [Expiration Date]. Any changes to the settlement statement must be approved in writing by the Lender.

Sincerely,

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