

**Date:** [Insert Date]

**Lender Name:** [Insert Lender Name]

**Loan Number:** [Insert Loan Number]

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

**Borrower(s):** [Insert Borrower Name(s)]

**RE: FINAL SETTLEMENT AND WAIVER OF DEFICIENCY**

Dear [Insert Contact Name or Department],

This letter serves as a formal agreement regarding the short sale of the property located at the address referenced above. [Insert Lender Name] (the "Lender") hereby approves the short sale of the property for the gross sales price of \$[Insert Sale Price].

By accepting the net proceeds from this short sale, the Lender agrees to the following terms:

- 1. Full Satisfaction:** The payment received shall be accepted as full and final satisfaction of the mortgage debt associated with Loan Number [Insert Loan Number].
- 2. Waiver of Deficiency:** The Lender expressly waives any and all rights to pursue a deficiency judgment against the Borrower(s) for the difference between the total amount owed and the net proceeds received from the sale.
- 3. Release of Lien:** Upon receipt of the settlement funds, the Lender shall release the lien on the property and file the necessary satisfaction of mortgage documents in the public records.
- 4. Credit Reporting:** The Lender shall 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.

This agreement is binding upon the Lender, its successors, and assigns. Please acknowledge your acceptance of these terms by signing below and returning a copy to the undersigned.

Sincerely,

\_\_\_\_\_  
[Borrower Signature]  
[Borrower Printed Name]

**ACCEPTED AND AGREED BY LENDER:**

By: \_\_\_\_\_  
Name: [Authorized Representative Name]  
Title: [Title]  
Date: [Date]