



# SHORT FALL/SHORT SALE LISTING ADDENDUM

1 This is an addendum to the Residential Listing Agreement ("Agreement"), dated \_\_\_\_\_  
2 on Property known as \_\_\_\_\_  
3 \_\_\_\_\_ ("Property"),  
4 between \_\_\_\_\_ ("SELLER"),  
5 and \_\_\_\_\_ ("Broker").  
6

- 7 **1. SHORT FALL/SHORT SALE LISTING.** Broker has advised SELLER that the proceeds of sale may  
8 not be sufficient to pay in full all loans and other debt or obligations that are secured by a lien(s),  
9 including any IRS liens, on the Property as well as Broker commissions and other costs of sale.  
10 Accordingly, in order to sell the Property, SELLER may choose to (1) deposit his/her own funds into  
11 escrow (Shortfall Sale) or (2) obtain the agreement of secured Lien Holder(s) to accept, as payment  
12 in full, less money than they are owed (Short Sale). SELLER acknowledges that as a consequence of  
13 this choice, the Lien Holder(s) may require him/her to pay back some or all of the shortage after the  
14 sale is complete. Broker has advised SELLER that other options, such as, but not limited to,  
15 negotiating a modification of existing loans or liens, refinancing, bankruptcy, foreclosure, or deed in  
16 lieu of foreclosure may be more appropriate for SELLER. Any sale of the Property will be contingent  
17 on Lien Holder(s) approval.
- 18
- 19 **2. TAX CONSEQUENCES.** Broker has advised SELLER that if Lien Holder(s) agrees to accept less  
20 than full payment, the difference may result in taxable income to SELLER even though SELLER does  
21 not receive any cash proceeds from the sale. SELLER may also be taxed on the gain in value of the  
22 Property from the date of SELLER'S purchase to the date of sale, regardless of the amount of any  
23 existing loans or liens.
- 24
- 25 **3. CREDIT CONSEQUENCES.** A Short Sale may have a negative impact on SELLER'S credit rating  
26 even if a foreclosure process has not officially begun or once begun, is not completed.
- 27
- 28 **4. LIEN HOLDER(S) CONSIDERATIONS.** SELLER acknowledges that a Short Sale is subject to Lien  
29 Holder(s) approval. Lien Holder(s) is not obligated to accept a Short Sale. Lien Holder(s) may  
30 impose conditions prior to consideration or approval of a Short Sale, such as obtaining a new  
31 appraisal, or requiring SELLER to demonstrate hardship or provide copies of tax returns, pay stubs,  
32 assets, or other financial information. SELLER agrees to provide any Lien Holder(s) requested  
33 documents in a timely manner. Lien Holder(s) may inform the IRS or credit reporting companies of  
34 the payment shortage. Broker has no control over Lien Holder(s) decisions. Accordingly, SELLER  
35 agrees to hold Broker harmless for acts or omissions of Lien Holder(s).
- 36
- 37 **5. BROKER AUTHORITY.** SELLER authorizes Broker to: (1) market the Property for sale, (2) contact  
38 Lien Holder(s) concerning Lien Holder(s) approval of a Short Sale and SELLER agrees to provide  
39 Broker any necessary information to assist in negotiation with Lien Holder(s), and (3) advertise in the  
40 MLS and other advertising medium that the Property transfer, sales price and payment of  
41 commissions are subject to Lien Holder(s) approval. If Lien Holder(s) will not cooperate, Broker may  
42 cancel this listing agreement.

--

 Initials  
SELLER | SELLER

43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54

**CAREFULLY READ THE TERMS HEREOF BEFORE SIGNING. WHEN SIGNED BY ALL PARTIES,  
THIS DOCUMENT BECOMES PART OF A LEGALLY BINDING CONTRACT.  
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING.**

_____		_____		_____	
<b>BROKERAGE</b>		<b>SELLER</b>		<b>DATE</b>	
_____		_____		_____	
<b>LICENSEE ASSISTING SELLER</b>	<b>DATE</b>	<b>SELLER</b>		<b>DATE</b>	

Approved by Legal Counsel of the Kansas City Regional Association of REALTORS® for exclusive use by its REALTOR® members. No warranty is made or implied as to the legal validity or adequacy of this Contract, or that it complies in every respect with the law or that its use is appropriate for all situations. Local law, customs and practices, and differing circumstances in each transaction may dictate that amendments to this Contract be made. Last revised 10/16. All previous versions of this document may no longer be valid. Copyright January 2023.