

Sample Lender Approval Letter #3

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Date: January 20, 2009

Dear Borrower:

This letter will serve as Bank C's demand for payment and advises you that Bank C and its investors and/or insurers have agreed to accept a short payoff involving the above-referenced property (the Short Sale transaction). This demand should be used by the closing agent as our formal demand statement. No additional statement will be issued. This approval is exclusive to the offer by the buyer referenced in this letter. The conditions of the approval are as follows:

1. Closing must take place no later than February 5, 2009 or this approval is VOID.
2. The approved buyers are Bob and Carol Smith and the sales price for the property is \$260,000.
3. Another buyer cannot be substituted without Bank C's prior written approval.
4. Proceeds to Bank C to be no less than \$230,733.51.
5. Total closing costs, including real estate commission, not to exceed \$29,266.49. This figure includes \$1,000 for second lien and \$3,000 for third lien.
6. Termite reports and repairs not to exceed \$1,000.00.
7. Real estate commission not to exceed \$13,000.00.
8. This property is being sold in "AS IS" condition. No repairs will be paid for out of the proceeds unless specifically state otherwise.
9. The sellers will not receive any proceeds from this short sale transaction. If there are any remaining escrow funds or refunds they will not be returned to the seller, they will be sent to Bank C to offset the loss.
10. Bank C or its investors will not pursue a deficiency judgment if the short sale closes on the referenced loan. If the short sale does not close, then the referenced loan secured by the Note and Security Instrument shall remain in full force and effect and we will pursue all remedies under the Note and Security Instrument.

Sincerely,

Bank C Representative

In this sample lender approval letter, note:

- The lender is forgiving the deficiency on this
- The approval date and closing date