

FHA Preforeclosure Sale Addendum

Loan Number: _____

Mortgagee/Lender/Servicer: _____

Address of Property: _____

Date of Purchase Contract: ___/___/___

Seller Printed Name

Buyer Printed Name

Seller Printed Name

Buyer Printed Name

Seller's Agent/Listing Agent

Buyer's Agent

Escrow Closing Agent/Attorney

Transaction Facilitator/Negotiator (if applicable)

This Preforeclosure Sale Addendum ("Addendum") is given by the Seller(s), Buyer(s), Agent(s), and Facilitator/Negotiator to the Mortgagee of the mortgage loan secured by the Property ("Mortgage") in consideration for the mutual and respective benefits to be derived from the preforeclosure sale of the Property.

NOW, THEREFORE, the Seller(s), Buyer(s), Agent(s), and Facilitator/Negotiator do hereby represent, warrant and agree under the pains and penalties of perjury, to the best of each signatory's knowledge and belief, as follows:

- a. The sale of the Property is an "arms-length" transaction, between Seller(s) and Buyer(s) who are unrelated and unaffiliated by family, marriage, or commercial enterprise. Additionally, the transaction is characterized by a selling price and other conditions that would prevail in an open market environment and there are no hidden terms or special understandings that exist between any of the parties involved in the transaction including, but not limited to the Buyer(s), Seller(s), appraiser, broker, sales agent (including Agents, but not limited to the listing agent and seller's agent), closing agent, Facilitator/Negotiator, and Mortgagee.
- b. Any relationship or affiliation by family, marriage, or commercial enterprise to the Seller(s) or Buyer(s) by other parties involved in the sale of the Property has been disclosed to the Mortgagee.
- c. There are no agreements, understandings, or contracts between the Seller(s) and Buyer(s) that the Seller(s) will remain in the Property as tenants or later obtain title or ownership of the Property, except that the Sellers(s) are permitted to remain as tenants in the Property for a short term, as is common and customary in the market but no longer than 90 days, in order to facilitate relocation.
- d. Neither the Sellers(s) nor the Buyer(s) will receive any funds or commissions from the sale of the Property except that the Seller(s) may receive a payment if it is offered by the Mortgagee, and, if the payment is made at closing of the sale of the Property, reflected on the HUD-1 Settlement Statement.

FHA Preforeclosure Sale Addendum

- e. There are no agreements, understandings, current or pending higher offers, or contracts relating to the current sale or subsequent sale of the Property that have not been disclosed to the Mortgagee.
- f. The current sale transaction is a market real estate transaction, and the Buyer is making an outright purchase of real property.
- g. The current sale transaction will be recorded.
- h. All amounts to be paid to any person or entity, including holders of other liens on the Property, in connection with the preforeclosure sale have been disclosed to and approved by the Mortgagee and will be reflected on the HUD-1 Settlement Statement.
- i. Each signatory understands, agrees and intends that the Mortgagee is relying upon the statements made in this Addendum as consideration for the reduction of the payoff amount of the Mortgage and agreement to the sale of the Property.
- j. A signatory who makes a negligent or intentional misrepresentation must indemnify the Mortgagee for any and all loss resulting from the misrepresentation including, but not limited to, repayment of the amount of the reduced payoff of the Mortgage.
- k. This Addendum and all representations, warranties, and statements made herein will survive the closing of the preforeclosure sale transaction.
- l. Each signatory certifies that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)
- m. Upon Bank of America's request, each signatory shall provide all material documents involved in the preforeclosure sale transaction, including but not limited to the HUD-1 Settlement Statements of the Buyer(s) and Seller(s).
- n. At any point, including during the preforeclosure sale process, Bank of America may assign, sell, or transfer the servicing of this loan to a different loan servicer. Servicing refers to collecting principal, interest, and escrow payments, if any, as well as sending monthly or annual statements, tracking account balances, and handling other aspects of the loan. Seller(s) will receive advance notice before a new servicer begins servicing this loan. Depending on the status of the preforeclosure sale when the servicing of a loan is transferred, the new servicer may not be required to accept the terms and conditions of this preforeclosure sale.
- o. Subject to terms as shown on the Purchase Contract, Seller must vacate the subject property within _____ days prior to closing of the preforeclosure sale transaction OR within _____ days after closing of the preforeclosure sale.
- p. This preforeclosure sale transaction must not constitute or facilitate appraisal fraud, flipping, money laundering, identity theft, or straw buying.
- q. The Buyer(s) shall not sell or otherwise transfer the Property, or agree to do so, within 30 days after closing this preforeclosure sale.

FHA Preforeclosure Sale Addendum

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____ 20____.

(Seller's Signature) By: _____

(Seller's Signature) By: _____

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____ 20____.

(Seller's Agent/Listing Agent's Signature) By: _____

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____ 20____.

(Buyer's Signature) By: _____

(Buyer's Signature) By: _____

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____ 20____.

(Buyer's Agent's Signature) By: _____

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____ 20____.

(Escrow Closing Agent's Signature) By: _____

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____ 20____.

(Transaction Facilitator's Signature (if applicable)) By: _____

FHA Preforeclosure Sale Real Estate Licensee Certification

This certification is made in connection with the Residential Purchase Agreement dated _____
on Property known as _____
for which _____ is Seller and _____
is the individual Real Estate Licensee at the listing brokerage representing Seller; and _____
is Buyer and _____ is the individual Real Estate Licensee at the selling brokerage
representing Buyer.

1. Licensee acknowledges and agrees that Bank of America is not the property seller, but only the mortgage lien holder(s) or servicer acting on behalf of the lien holder, accepting less than the balance owed to facilitate the Short Sale purchase transaction of Property as an alternative to foreclosure. Bank of America is in no way responsible for paying any real estate sales commission.
2. Licensee acknowledges and agrees that he or she has a valid, current real estate license issued by the appropriate authority within the State that Property is listed for sale or a licensed attorney in good standing in the State where Property is listed for sale.
3. Licensee representing Seller acknowledges and agrees that, in his or her professional opinion, Property has been listed on the appropriate local Multiple Listing Service at a listing price intended to generate open market competitive offers to purchase Property and not at an artificially low or high listing price. Licensee representing Seller further acknowledges and agrees that his or her marketing efforts were in fact and "in spirit" aimed toward maximizing the selling price of Property from a ready, willing and able buyer. Licensee has not engaged in any conduct that restricts or limits offers from buyers, including but not limited to requiring cash offers, using disparaging language regarding the property or tenants, or unreasonably restricting access.
4. Licensee representing Seller acknowledges that he or she has made Seller aware of all offers to purchase Property that Licensee received during the listing period and that he or she has not coerced, harassed or improperly influenced Seller in selecting a buyer for Property or in agreeing to the terms and conditions of the purchase contract.
5. Licensee acknowledges and agrees that Licensee is not engaging in appraisal fraud, flipping (a predatory lending practice whereby a recently acquired property is resold for a considerable profit with an artificially inflated value within a short period of time, as defined by the Federal Bureau of Investigation), identity theft and/or straw buying. Licensee has disclosed all agreements or understandings relating to the current sale or subsequent sale of Property of which Licensee is aware or should be aware. Licensee is not aware of any other agreements or understandings that call for the subsequent sale of the Property within 30 days of the current sale, the assignment of the property to the Seller or the option for the Seller to purchase.
6. Licensee acknowledges and agrees that he or she is not receiving any compensation, remuneration or benefit from the completion of this Residential Purchase Agreement other than what has been disclosed in the preliminary and certified HUD-1 closing settlement statements. Licensee is not aware of any arrangement for compensation or other remuneration to Seller, Buyer, Licensees or other lien holders, either directly or indirectly related to the purchase agreement, that has been or will be paid outside the official terms of closing as presented in the purchase contract and the preliminary and certified HUD-1 closing settlement statements.
7. Licensee acknowledges and agrees that he or she has disclosed to Bank of America any known relationship to Buyer or ownership interest in Buyer's company, and Licensee representing Seller further acknowledges that he or she has no existing business relationship with Buyer and/or Seller other than the purchase of Property according to the terms and conditions of the purchase contract.

FHA Preforeclosure Sale Real Estate Licensee Certification

8. Licensee acknowledges and agrees that any misrepresentation or omission of a material fact may subject the responsible party to civil and/or criminal liability.
9. Licensee acknowledges and agrees that at any point, including during the preforeclosure sale process, Bank of America may assign, sell, or transfer the servicing of this loan to a different loan servicer. Servicing refers to collecting principal, interest, and escrow payments, if any, as well as sending monthly or annual statements, tracking account balances, and handling other aspects of the loan. Seller(s) will receive advance notice before a new servicer begins servicing this loan. Depending on the status of the preforeclosure sale when the servicing of a loan is transferred, the new servicer may not be required to accept the terms and conditions of this preforeclosure sale.

Licensee Representing Seller: _____
Sign name

Date: _____

State License Number: _____

Licensee Representing Buyer: _____
Sign name

Date: _____

State License Number: _____

Buyer's Acknowledgement and Disclosure

BUYER(S), is/are buying the Property known as:

Address City State ZIP

Buyer(s) understand(s) and acknowledge(s) that the following persons are prohibited from purchasing the Property, directly, indirectly or through a family member, household member or an interest in a partnership, corporation, joint venture, trust or other entity:

1. officers, employees, or directors of Bank of America, N.A. (Bank), its parents, subsidiaries, or affiliated companies;
2. a spouse or domestic partner of a Bank employee, a dependent child who lives with a Bank employee, or any other person who derives his or her primary means of financial support from a Bank employee; and
3. Home Transition Services agents, brokers, appraisers, attorneys, trustees, employees of representatives and vendors (including but not limited to property inspection companies, property preservation companies, title companies) of Bank of America, N.A., its parents, subsidiaries, or affiliated companies.

Buyer(s) hereby certifies/certify that:

I/we am/are not an officer, employee, or director of Bank of America, N.A. (Bank), its parents, subsidiaries, or affiliated companies.

I/we am/are not a spouse or domestic partner of a Bank employee, a dependent child who lives with a Bank employee, or any other person who derives his or her primary means of financial support from a Bank employee.

I/we am/are not an agent, broker, appraiser, attorney, trustee, employee of any representative or vendor (including but not limited to a property inspection company, property preservation company, or title company) of Bank, its parents, subsidiaries, or affiliated companies.

This certification is made to the Seller in connection with the closing of the sale of the Property to the Buyer(s) under the purchase and sale agreement dated _____ between Seller and Buyer/Buyers, as a material inducement to the Seller and Bank to proceed with the short sale, and it may be relied upon by the Seller or Bank and their respective affiliates, agents, representatives, and successors and assigns.

Buyer Name (print)

Buyer Signature

Date

Buyer Name (print)

Buyer Signature

Date



During the short sale process, loan servicing may be transferred to a different loan servicer. Servicing refers to collecting principal, interest, and escrow payments, if any, as well as sending monthly or annual statements, tracking account balances, and handling other aspects of the loan. We may assign, sell, or transfer the servicing of a loan at any point while the loan is outstanding. Your client will be given advance notice before a transfer occurs. Depending on the status of the short sale when the servicing of a loan is transferred, the new servicer may not be required to accept the terms and conditions of a short sale.

**SELLER'S LENDER REQUIRES THE FOLLOWING INFORMATION.
INCLUDE THIS COMPLETED FORM WITH PURCHASE AGREEMENT**

Individual Buyer #1:

Name as it appears on purchase agreement _____

Address (city, state, and zip) _____

First five digits of social security number _____ - _____

Date of Birth ____ / ____ / ____

Phone _____

Individual Buyer #2:

Name as it appears on purchase agreement _____

Address (include city, state, & zip code) _____

First five digits of social security number _____ - _____

Date of Birth ____ / ____ / ____

Phone _____

If Corporation or LLC Buyer:

Name as it appears on purchase agreement _____

Address (city, state, and zip) _____

Name of person signing for corporate buyer: _____

EIN or TIN _____ - _____

Phone _____

Buyer's agent:

Name _____ Company name _____

Company address (city, state & zip code) _____

Phone _____ Fax _____ Email _____

Buyer's lender info:

Loan officer name _____ Company name _____

Phone _____ Email _____ Quoted interest rate _____