



Affidavit of “Arm’s Length Transaction”

Property address:

Street City State Zip

All Parties to the contract to purchase aforementioned property dated: -

Hereby affirm:

1. That this is an “Arm’s Length Transaction” and that no party to this contract is a family member, business associate, or share a business interest with the mortgagor.
2. Further, there are no hidden terms or special understandings between the seller or Buyer or their agents or mortgagor.
3. That neither the Buyers and Sellers nor their Agents have any agreements written or implied that will allow the Seller to remain in the property as renters or regain ownership of said property at any time after the execution of this short sale transaction.
4. With the sole exception of payment of agents’ commission or other government relocation assistance for which you may be eligible, neither the seller, buyer nor any other parties to this transaction shall receive any proceeds.
5. Each signatory understands that a misrepresentation may subject the responsible party to civil and/or criminal liability.
6. There are no agreements, understandings or contracts relating to the current sale or subsequent sale of the mortgaged premises that have not been disclosed to the servicer.
7. Each signatory understands, agrees and intends that the servicer and/or Freddie Mac are relying upon the statements made in the affidavit as consideration for the reduction of the payoff amount of the mortgage and agreement to the sale of the mortgaged premises.
8. Each signatory agrees to indemnify the servicer and/or Freddie Mac for any and all loss resulting from any negligent or intentional misrepresentation made in the affidavit including, but not limited to repayment of the amount of the reduced payoff of the mortgage.
9. This certification will survive the closing of the transaction.

This communication is from a debt collector attempting to collect a debt; any information obtained will be used for that purpose. However, if the debt is in active bankruptcy or has been discharged through bankruptcy, this communication is not intended as and does not constitute an attempt to collect a debt.



Affidavit of "Arm's Length Transaction"

- You cannot list the property with or sell the property to anyone that you are related to or with whom you have a close personal or business relationship. In legal language, it must be an **"arm's length transaction."** If you have a real estate license, you cannot earn a commission by listing your own property. You may not have any agreements to receive a portion of the commission or the sales price after closing. Any buyer of your property must agree to not sell the home within 90 calendar days or for the State of Colorado within 14 calendar days of the date it is sold by you. You may not have any expectation that you will be able to buy or rent your house back after the closing. Any knowing violation of the arm's length transaction prohibition may be a violation of federal law.

| | | | |
|--|---|-------------------------------------|---|
| _____ Seller |  | _____ Buyer |  |
| _____ Date | | _____ Date | |
| _____ Seller's Printed Name | | _____ Buyer's Printed Name | |
| _____ Seller's agent |  | _____ Buyer's Agent |  |
| _____ Date | | _____ Date | |
| _____ Seller's Agent Printed Name | | _____ Buyer's Agent Printed Name | |
| _____ Escrow/Closing Company | | | |
| _____ Escrow/Closing Agent Printed name | | | |
| _____ Escrow/Closing agent |  | | |

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