



Short Sale / Payoff Approval Agreement

[REDACTED]  
[REDACTED]  
[REDACTED]  
Murrieta, CA 92563

Date: June 10, 2011

Re: Short Sale / Payoff Approval of [REDACTED]  
[REDACTED], Murrieta, CA 92563

☒ First Trust Deed    ☐ Second Trust Deed

Dear [REDACTED] and [REDACTED]

PENNYMAC is pleased to advise you that a short sale of the above referenced property has been approved. This agreement is subject to the following:

☒ **Sales Price / Short Payoff:** PennyMac Loan Services, LLC ("PennyMac") will accept a sales price / short payoff no less than \$ 225,000.00 against the outstanding debt on this property. When all of the terms and conditions listed in this letter are satisfied, PennyMac will prepare and record the release of the liens on the property according to applicable state and local requirements.

☐ **Promissory Note:** The Seller/Borrower (n/a) must sign an interest free promissory note payable to n/a in the amount of \$ n/a over n/a months at \$n/a per month starting n/a. PennyMac will release you from all future liability upon agreement of this Promissory Note.

☒ **Property Condition:** The property is being sold in "AS IS" condition. No repairs will be paid for out of the proceeds, unless specifically stated otherwise.

☒ **Closing:** Closing must take place no later than July 11, 2011. If an extension is needed a per diem of \$ 50 will be added to the payoff until the transaction closes. A copy of this approval letter signed by the borrower(s) **MUST** be faxed to 866-577-7205 or emailed to [propertyresolution@pnmac.com](mailto:propertyresolution@pnmac.com) attention TEAM 1 within 5 days. The Preliminary HUD-1 **MUST** be signed and approved by PennyMac's Negotiator prior to closing.

Within 24 hours after the close of escrow, please email [propertyresolution@pnmac.com](mailto:propertyresolution@pnmac.com) attention TEAM 1 or fax the following information to PennyMac Loan Services, LLC at 866-577-7205:

- a. A certified copy of the final Settlement Statement (HUD-1) with the approved net proceeds of \$198,168.94.
- b. A copy of the Promissory Note, if applicable, must be faxed to 866-577-7205 or emailed to [propertyresolution@pnmac.com](mailto:propertyresolution@pnmac.com). The original signed copy of the Promissory Note **MUST** be mailed to PennyMac no later than the closing date (if applicable):

PennyMac Loan Services, LLC



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27001 Agoura Rd  
Calabasas, CA 91301  
Attention: Property Resolution Group

- c. Provide borrower's new mailing or forwarding address and phone number.

[REDACTED]  
[REDACTED]  
[REDACTED]

- **Payment Instructions:** Payoff funds and a final HUD-1 Settlement Statement must be received by the PennyMac within 24 hours of closing in accordance with the below wiring instructions.

Bank Name: Bank of America  
ABA Routing Number: 026009593  
Bank Address: 100 West 33<sup>rd</sup> Street, New York, NY 10001  
For Credit to: PennyMac Loan Servicing, LLC Payment Clearing Account  
Account Number: [REDACTED]  
For Benefit of: [REDACTED]  
For Final Credit To: [REDACTED]

- **Proceeds:** All net proceeds must be approved by PennyMac. The Seller/Borrower will not receive any sale proceeds from this transaction. Any excess funds as a result of this sale must be sent to PennyMac Loan Services, LLC. If the net proceeds from the sale are not sufficient to pay off the total unpaid balance, the Seller/Borrower agrees that as a condition of this approval PennyMac will receive any funds held in an escrow/impound account and any refunds from pre-paid expenses that otherwise would be payable to Seller/Borrower. This includes, but is not limited to, proceeds received from any hazard insurance claims and/or any unearned premiums. These funds also must be made payable directly to PennyMac without recourse.
- **Commission:** The real estate commissions related to the transaction will not exceed 6 % of the sales price.
- **Terms:** The sale and closing comply with all terms and conditions of the Short Sale Agreement between PennyMac and the Borrower as well as all terms and representations provided herein by the Borrower.
- **Changes:** Any change to the terms and representations contained in this Approval of Short Sale between you and the buyer ([REDACTED]) must be approved by PennyMac in writing. PennyMac is under no obligation to approve such changes. If this transaction is canceled, you must notify us immediately. This approval letter is invalid if any third party is listed as "Seller" on the Settlement Statement (HUD-1) other than the individual(s) listed on the original Note. Any modification to the proposed sale or new sale agreement must be reviewed by PennyMac and will require a new and separate approval letter.
- **Satisfaction and Release of Liability:** If all of the terms and conditions of this Agreement are met, upon sale and settlement of the property, PENNYMAC will prepare and send for recording a lien release in full satisfaction of the mortgage, foregoing all rights to personal liability or deficiency judgment.



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- **Subordinate Liens:** Prior to releasing any funds to holders of subordinate liens/mortgages, the closing agent must obtain a written commitment from the subordinate lien holder that it will release Borrower from all claims and liability relating to the subordinate lien in exchange for receiving the agreed upon payoff amount. Payoff to 2<sup>nd</sup> lien must not exceed \$3,000 from PennyMac proceeds. 2<sup>nd</sup> lienholder written approval must be received by PennyMac by June 30, 2011 or this approval is void.
- **Bankruptcy:** If you are currently in bankruptcy or you file bankruptcy prior to closing, you must obtain any required consent or approval of the Bankruptcy Court.
- **Tax Consequences:** A short payoff of the mortgage may have tax consequences. You are advised to contact a tax professional to determine the extent of tax liability, if any.
- **Credit Bureau Reporting:** We will follow standard Industry practice and report to the major credit reporting agencies that your mortgage was settled for less than the full payment. We have no control over or responsibility for the impact of this report on your credit score. To learn more about the potential impact of a short sale on your credit you may want to go to <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm>.
- You can't list the property with or sell it to anyone that you are related to or have a close personal or business relationship with. In legal language, it must be an "arm's length transaction." If you have a real estate license you can't 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 of the date it is sold by you. You may not have any expectation that you will be able to buy your house back after the closing. Any knowing violation of the arm's length transaction prohibition may be a violation of federal law.

If the above conditions are not met, PennyMac reserves the right to return the payoff funds and require payment in full under the original terms of the Note and Security Instrument. If PennyMac elects to pursue the remedies provided by the original loan documents, all collection efforts and foreclosure proceedings will continue as permitted under applicable law.

If a foreclosure action was commenced against this property, then upon satisfaction of all terms of this approval, the pending foreclosure action will be dismissed and appropriate instruments recorded.

PennyMac is required by Fair Debt Collections Practices Act to inform you that if your loan is currently delinquent or in default, as your loan servicer, PennyMac will be attempting to collect a debt and any information obtained will be used for that purpose. However, if you have received a bankruptcy discharge, and the loan was not reaffirmed in the bankruptcy case, PennyMac will only exercise its right against the property and is not attempting any act to collect the discharged debt from you personally.