



10/2/2012

[REDACTED]

Loan Number: [REDACTED]

Client: 708

Property Address:

[REDACTED]

SAN MARCOS, CA 92078-1328

Mailing Address:

[REDACTED]

SAN MARCOS, CA 92078

Subject: Notice of Short Sale Approval for loan [REDACTED]
Projected settlement date 11/02/2012

Dear [REDACTED]:

We're writing to notify you that Wells Fargo Bank, N.A. approves a short sale of the property noted above. This Notice of Short Sale Approval provides all of the conditions and requirements that must be met before the short sale transaction can be finalized. Please be sure to read this notice in its entirety and follow all the steps provided.

Understanding a short sale

A short sale allows you, the borrower/seller, to sell your home for less than the amount owed on your mortgage, and releases your obligation to repay your primary mortgage balance. It may help you avoid a foreclosure sale.

Conditions that must be met

Before we can finalize approval of the short sale, the borrower/seller must meet the following conditions:

1. By completing the short sale based on this Notice of Short Sale Approval, you acknowledge and waive any and all rights to any escrow balance, insurance proceeds or refunds from prepaid expenses.
2. You, or any other party, may not receive any sale proceeds or any funds as a result of this transaction except as specified in this Notice.
3. The short sale must be an arm's length transaction (unless the property is secured by a VA loan). This means the seller and buyer must be unrelated to each other by family, marriage or commercial enterprise. If it's determined that the sale is not an arm's length transaction, this approval will be null and void.

4. If you have any home equity loans, lines, junior liens or other subordinate liens (like a tax or mechanic's lien) on your property, they will be considered separately from your first mortgage transaction. To ensure the short sale proceeds smoothly, it is essential for you to begin working with any other creditors immediately after being approved for a short sale. Failure to resolve transactions with other lien holders could cause delays or even cancelation of the short sale closing.

5. In accordance with state and local laws, the Notice of Short Sale Approval may be voided at any time.

Important considerations

Please note: The minimum amount we must receive for the sale of the property after all deductions have been made is called the **acceptable sale proceeds amount**. Please see the short sale approval requirements section in this letter for more information.

1. Because, with a short sale transaction, the home is sold for less than the amount owed on the first mortgage, there may be a deficiency balance. This is the dollar difference between the mortgage amount due and the acceptable sale proceeds amount. In some cases, a mortgagor may be required to pay this remaining balance at or after the short sale closing. However, if you comply with the requirements of this Notice of Short Sale Approval and the mortgage is released, Wells Fargo Bank, N.A. will waive its right to seek a deficiency balance under the mortgage note and/or related documents.

2. When Wells Fargo Bank, N.A. receives the acceptable sales proceeds and all required documentation as specified in this Notice of Short Sale Approval, we will arrange to have the mortgage of record released. Your compliance with this Notice of Short Sale Approval, coupled with the release of the mortgage, shall waive the investor's (and all other interested parties') right to seek payment of the remaining deficiency balance of the original mortgage note.

3. Wells Fargo Bank, N.A. will notify the major credit bureau(s) to reflect this loan as "account paid in full with less than full balance," which should appear on your credit report following the completion of the short sale. However, Wells Fargo Bank, N.A. is not a credit bureau and cannot control how or when the report will reflect information to other users of credit reports.

Short sale approval requirements

This approval is based on the purchase contract dated 07/18/2012 between [REDACTED], the seller(s), and [REDACTED] and [REDACTED], the buyer(s), for a purchase price of \$309,000.00. The terms of our approval and instructions to you and your settlement agent are as follows:

Section one — transaction overview

1. As of the date of this Notice, the unpaid principal balance on loan [REDACTED] is \$294,867.00. The acceptable sales proceeds is \$273,430.10 scheduled for settlement on or before 11/02/2012.
2. Your required payment to complete the short sale:
 - a. \$0.00 in cash at the closing, in the form of a cashier's check.
 - b. An additional \$0.00 in the form of a promissory note, which must be completed at or before the closing.

3. Please understand that Wells Fargo Bank, N.A. will report amounts of debt that have been cancelled to the IRS, if required to do so under IRS regulations. As a mortgage servicer, Wells Fargo Bank, N.A. cannot provide tax advice. Please consult a tax or legal advisor for assistance on any tax or legal implications associated with a short sale and the cancellation of debt that may result.
4. The following transaction details summarize the information noted above:

Unpaid principal balance:	\$294,867.00
Approved purchase price:	\$309,000.00
Acceptable sale proceeds amount:	\$273,430.10
Borrower payment:	

Cash at closing:	\$0.00
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Promissory note:	\$0.00
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Section two — approved seller closing costs

Approved Seller Closing Costs:

Real Estate Commission:	\$18,540.00
PEST INSPECTION	\$100.00
TAXES	\$1,200.00
ZONE DISCLOSURE	\$133.00
TRANSFER TAX	\$339.90
HOA TRANSFER	\$250.00
HOA DOCS	\$250.00
SELLER CONCESSIONS	\$9,270.00
SELLER RELOCATION IN	\$3,000.00
SETTLEMENT/COURIER	\$1,033.00
TITLE INSURANCE	\$1,454.00

Excess funds, if any, must be paid to Wells Fargo Bank, N.A.

Section three — lien holders

Please understand that any reference to the junior/subordinate lien holder(s) payoff is contingent upon separate written approval of the transaction by each lien holder. In addition, if the junior lien holder is