

## **AFFIDAVIT OF "ARM'S LENGTH TRANSACTION" IN CONECTION WITH A SHORT SALE**

Pursuant to a residential purchase agreement ("Agreement"), the parties identified below as "Seller(s)" and "Buyer(s)," respectively, are involved in a real estate transaction whereby the real property commonly known as "\_\_\_\_\_" ("Property") will be sold by Seller(s) to Buyer(s).

\_\_\_\_\_ ("Lender") holds a mortgage against the Property. In order to complete the sale of the Property, Seller(s) and Buyer(s) have jointly asked Lender to discount the total amount owed on the loan which is secured by the mortgage. Lender, in consideration for the representations made below by Seller(s), Buyer(s), and their respective agents, agrees to a short sale on the express condition that Seller(s), Buyers, and their respective agents (including, without limitation, real estate agents and escrow agents) each truthfully represents, affirms, and states as follows:

1. The purchase and sale transaction reflected in the Agreement is an "Arm's Length Transaction," meaning that the transaction has been negotiated by unrelated parties, each of whom is acting in his or her own self-interest, and that the sale price is based on fair market value of the Property. With respect to those persons signing this affidavit as an agent for either; Seller(s), Buyer(s), or both, those agents are acting in the best interests of their respective principal(s).
2. No Buyer or agent of Buyer(s) agents is a family member or business associate of the Seller(s) or the borrowers) or the mortgagee(s).
3. No Buyer or agent of Buyer(s) shares a business interest with the Seller(s) or the borrower(s) or the mortgagee(s).
4. There are no hidden terms or hidden agreements or special understandings between the Seller(s) and the Buyer(s) or among their respective agents which are not reflected in the Agreement or the escrow instructions associated with this transaction.
5. There is no agreement, whether oral, written, or implied, between the Seller(s) and the Buyers and/or their respective agents which allows the Seller(s) to remain in the property as tenants or to regain ownership of the Property at any time after the consummation of this sale transaction.
6. The Seller(s) shall not receive any proceeds from the sale of the Property reflected in the Agreement.
7. No agent of either the Seller(s) or the Buyer(s) shall receive any proceeds from this transaction except as is reflected in the final estimated closing statement which shall be provided to Lender for approval prior to the close of escrow.
8. Each signatory to this Affidavit expressly acknowledges that Lender is relying upon the representations made herein as consideration for discounting the payoff on the loan(s) which is/are secured by a deed of trust or mortgage encumbering the Property.
9. Each signatory to this Affidavit expressly acknowledges that any misrepresentation made by him or her may subject him or her to civil liability.
10. Seller has vacated the premises.

I declare under penalty of perjury under the laws of the State of New York that all statements made in this Affidavit are true and correct.

That I make this affidavit to induce \_\_\_\_\_ and \_\_\_\_\_ to insure title to the above mentioned premises, knowing said Title Company will rely heron.

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Agent

Sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Notary Public