

Dear Client:

The current economy presents difficult issues for many people. I am sorry that you and your family are feeling the effects of the down turn in the housing market. We appreciate the opportunity to market your property.

It is our understanding that the property is currently distressed because you are one or more payments behind. Selling property that is or may be in a distressed situation presents unique issues not found in a normal property sale. This letter explains our role in dealing with this process.

When a home is or may be placed in foreclosure, we cannot be as patient as we would like to be. Therefore, we have suggested a listing price that may seem low. Our experience shows that most buyers are looking for a bargain. If you want to sell in this market, your home must be a bargain.

1. The Scope of Representation

You have asked us to market and sell your home under the terms of our separate Listing Agreement that we have provided to you. This representation includes, but is not limited to, dealing with other realtors and potential home buyers, marketing and open houses for your home, listing your home on MLS, negotiating a Residential Earnest Money Agreement, drafting Addendums and assisting you in the closing of the sale of your property.

2. Certain Advice is Outside Our Scope of Representation

If the home is sold in a “short sale”, this generally means that you owed your lender(s) more than the net sale proceeds from the sale of your home and you may be liable to the lender for any deficiency. You may be subject to debt relief taxes for any amounts that the bank writes-off in the short sale. We are not qualified to provide you with any tax advice concerning the sale of your property. We recommend that you consult with an accountant or other qualified individual to give you advice regarding any tax consequences to you for this sale.

In addition, we are not responsible for providing you any legal advice regarding the foreclosure process or any potential short sale. You should retain legal counsel to advise you through the foreclosure and short sale processes.

Finally, you should be very careful in dealing with persons contacting you after the foreclosure process has begun. There are a number of mortgage modification scams and foreclosure rescue scams that may adversely affect you. You should deal directly with your lender on any loan modifications offered to you. You may also contact the Oregon Secretary of State or your lender to verify the legitimacy of the financial advisor. To find a nonprofit foreclosure counselor in your area, you may call 1-800-SAFENET.

3. You May Have Other Options Than Selling Your Home

As your realtor, we want to make sure you understand aware of and understand all of the options available to you. Depending on your situation, it may be in your best interest to not sell the property at this time. For example, if you have more than one loan on your property or if there tax liens or judgments against you, a short sale may not be a viable option to you.

In addition, you may be eligible for loan modification programs which would allow you to remain in your home and avoid the foreclosure. You should contact your lender or legal counsel about these programs to see if you qualify.

You may also be able to work out a loan modification agreement with your lender to avoid the sale of your property. Again, you should consult with your legal or tax consultant to see if this option is available to you.

4. We Can Not Guarantee the Sale of Your Property in Foreclosure.

We will do what we can to help sell your property before the anticipated foreclosure date. However, it is important to understand that we cannot guarantee that we will be able to sell your property before such time. We also cannot guarantee that your lender will cooperate in our sale efforts. However, we will work with you, your counsel, accountant and lender to sell your property. Ultimately, you must decide whether or not selling your property is in your best interest.

We look forward to the opportunity to work with you on the sale of your property.

Thank you,

Realtor