

[TO BE TYPED ON CREDIT UNION STATIONERY]

CLOSING INSTRUCTIONS/SHORT PAYOFF AGREEMENT  
(TOTAL RELEASE OF BORROWER LIABILITY)

Re: **Borrower:** John and Jane Smith  
**Property Address:** 123 Main Street, Any Town, USA  
**Account Number:** 1234-5678

To Whom It May Concern:

This letter provides you with the closing instructions for the short sale and the Short Payoff Agreement executed by XYZ Federal Credit Union (and to be executed by the Borrower).

**Closing Instructions:**

1. Have the Borrower read and sign the Short Payoff Agreement below.
2. Obtain the Borrower's check (in CERTIFIED FUNDS only);
3. Wire the funds and mail all original supporting documents referencing the Borrower's account number to:

XYZ Federal Credit Union  
234 Broad Street  
Any Town, USA

4. If you have any questions, please contact: Mary Doe, Loan Officer 1-800-765-8000 x 123

**SHORT PAYOFF AGREEMENT**

XYZ Federal Credit Union ("the Credit Union"), and Borrower [stated at top of the letter] agree to settle the above listed account for \$\_\_\_\_\_ (\_\_\_\_\_) Dollars (the "Settlement Amount"). Borrower agrees that the payment of the Settlement Amount must be in the form of CERTIFIED FUNDS ONLY and will be accompanied by a copy of this Agreement.

Borrower agrees that upon the receipt and posting of the agreed upon Settlement Amount, the remaining balance, if any, will be charged off and not required to be repaid by the Borrower, and a \$0.00 balance will appear on the Borrower's credit bureau as "Account legally paid in full for less than full balance." The Credit Union agrees to release its lien against the property referenced above upon the completion of all terms under this Agreement.

Borrower agrees that this letter MUST accompany the settlement proceeds check. Failure to abide by these terms and conditions will delay the lien released and void this offer.

Borrower Initials \_\_\_\_\_

Borrower Initials \_\_\_\_\_

This Agreement expires on \_\_\_\_\_ (the "Offer Period").

**Special Notes/Conditions:** In the event the property should go through foreclosure sale prior to the end of the Offer Period, this Agreement will become null and void. There may be a tax liability associated with this transaction. Please consult your tax advisor for more information.

I acknowledge by my signature below that I have read, understand and agree to the terms of this letter.

Dated: \_\_\_\_\_, 200\_\_ \_\_\_\_\_  
Borrower

Dated: \_\_\_\_\_, 200\_\_ \_\_\_\_\_  
Borrower

STATE OF NEW JERSEY            )  
  : SS  
COUNTY OF                            )

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year 200\_\_ , \_\_\_\_\_  
and \_\_\_\_\_ personally known/provided identification of \_\_\_\_\_  
\_\_\_\_\_ being duly sworn, did execute this foregoing Affidavit  
and did so as his/her free act and deed. In witness whereof, I have hereunto set my hand and  
official seal.

\_\_\_\_\_  
Notary

Thank you for your assistance in this matter.

Very truly yours,  
XYZ Federal Credit Union

By: \_\_\_\_\_  
Name of Officer