**Payoff Shortfall and Municipal Lien Agreement**

**RE:** ​​

**File No.:**

In order to insure that all **existing mortgages, liens, and/or other financial encumbrances (collectively, “the Liens”), or credit cards or other unsecured payoffs** are satisfied in full, Borrower(s) or Seller(s), as applicable, shall pay any shortfall that may arise between the payoff amount(s) set forth on the Settlement Statement for the Lien(s) and the final amount(s) required by such lien holder(s) to payoff and release the Lien(s). Such shortfall may include, but not be limited to, prepayment penalties, accrued yet unpaid interest, late fees, lien holder’s attorney’s fees and foreclosure charges.

Borrower(s) or Seller(s) further agree(s) that such shortfall amounts will be forwarded to Lender’s Counsel or the Settlement Agent by Borrower(s) or Seller(s) within five (5) days of notification to Borrower(s), Seller(s), or their recognized agent(s).

Borrower(s) and Seller(s) further agree(s) that in the event the current and due real estate taxes, final water reading, final water bill, final municipal electric reading, and any other municipal charge is not paid at closing for any reason (other than the Lender’s Counsel or the Settlement Agent’s failure to remit payment when such amount was collected at closing), any payment, credit, or adjustment for such municipal charges shall be adjusted between parties outside the closing and remain the responsibilities of the applicable party.

Borrower(s) and Seller(s) hereby release and shall indemnify Lender’s Counsel, the Settlement Agent, and the Title Insurance Company issuing title insurance for this transaction with regard to any liability, cost, or expenses regarding the payoff shortfall(s) for the Lien(s) and further acknowledge that Lender’s Counsel or Settlement Agent shall not pay any such shortfall amount(s) or municipal charges on behalf of the appropriate party.

Borrower(s) and Seller(s) have/has executed and acknowledged receipt of this Affidavit.

BORROWER​​:

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SELLER​​:

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