

GOVERNMENT FINANCING ADDENDUM

SELLER: \_\_\_\_\_

BUYER: \_\_\_\_\_

PROPERTY: \_\_\_\_\_

(PLEASE PRINT ALL OF THE ABOVE)

I. TYPE OF LOAN: This Contract is contingent upon BUYER obtaining an ( ) FHA ( ) DVA ( ) \_\_\_\_\_ loan in the principal amount of \$ \_\_\_\_\_ plus financed mortgage insurance premiums or DVA funding fee, if any, according to the provision described in this Addendum. Said loan shall be secured by a mortgage/deed of trust or as otherwise required by lender.

2, PAYMENT TERMS: The principal balance will be amortized over \_\_\_\_\_ years bearing interest at an initial rate not to exceed \_\_\_\_\_ % per annum and shall be repayable in monthly installments unless otherwise provided for herein.

3. LOAN APPLICATION: BUYER shall complete a written loan application and pay the required fees, (credit report, appraisal, etc.) within \_\_\_\_\_ calendar days (SEVEN DAYS IF LEFT BLANK) alter the Effective Dale of this Contract.

4, LOAN APPROVAL: In the event BUYER after good faith effort is unable to obtain a commitment for the mortgage loan described above and at the request of the SELLER, furnish SELLER with proof of said commitment, reasonably satisfactory to SELLER, within \_\_\_\_\_ days from the date of this Contract or by the Closing Date, whichever is earlier, BUYER or SELLER may cancel this Contract and the Earnest Money shall be refunded to BUYER, subject however to the other provisions of this Contract relating to Earnest Money. A loan commitment is conditioned on the sale of BUYER'S property will not satisfy this condition without SELLER'S written approval. BUYER may satisfy this condition by obtaining a commitment for a loan on different terms than those described above, provided that the terms of the loan do not result in additional cost to SELLER.

5. LOAN COST: BUYER agrees to pay all costs necessary to obtain the loan, unless otherwise agreed as follows:

(APPLICABLE SECTIONS MUST BE CHECKED AND COMPLETED)

( ) Origination Fee not to exceed \_\_\_\_\_ % of the loan amount shall be paid by \_\_\_\_\_

( ) Discount Fee not to exceed \_\_\_\_\_ % of the loan amount shall be paid by \_\_\_\_\_

( ) OTHER SELLER PAID COST: in addition to costs specified above, SELLER agrees to pay BUYER'S other allowable closing cost and/or prepaid expenses not to exceed \$ \_\_\_\_\_ (ZERO IF LEFT BLANK)

6. APPRAISED VALUE: it is expressly agreed that, notwithstanding any other provisions contained in this Contract, the purchaser (BUYER) shall not be obligated to complete the purchase of the Properly described herein, nor to incur any penalty by forfeiture of earnest

money deposits or otherwise, unless the purchaser has been given in accordance with HUD/FHA or VA lender, setting forth the appraised value of the property of not less than \$\_\_\_\_\_ . The purchaser shall have the privilege and option of proceeding with consummation of the Contract without regard to the amount of the appraised valuation, The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the Property. The purchaser should satisfy himself/herself that the price and condition, of the Property are acceptable

7, FHA LOAN PROVISIONS:

( ) An Up-Front Mortgage Insurance Premium (UFMIP) not to exceed \_\_\_\_\_ % of the loan amount shall be financed as a part of the loan unless otherwise provided for herein. In addition to the UFMIP, BUYER agrees to pay a Monthly Mortgage Insurance Premium equal to \_\_\_\_\_ % of the loan prior to the addition of the UFMIP,

8. DVA LOAN PROVISION:

( ) A Funding Fee equal to \_\_\_\_\_% of the loan amount shall be ( ) financed as a part of the BUYER loan and ( ) paid at the time of closing by the \_\_\_\_\_.

( ) SELLER shall in addition to any other sums provided for herein, pay a costs associated with obtaining the BUYER'S loan which the DVA will not permit the BUYER to pay, (including pest inspections) provided, said costs do not exceed \$\_\_\_\_\_, ( AMOUNT MUST BE ENTERED)

9, APPRAISAL REQUIREMENTS: In addition to any sums to be paid by SELLER pursuant to this Contract, SELLER agrees to pay an amount not to exceed \$\_\_\_\_\_ (ZERO IF LEFT BLANK) for requirements of the lender necessitated by the appraisal.

10. ADDITIONAL TERMS AND CONDITIONS: \_\_\_\_\_

\_\_\_\_\_

If property was built prior to 1978, BUYER acknowledges receiving, reading and signing he U.S. Department of Housing and Urban Developments notice regarding lead-based paint.

**CAREFULLY READ THE TERMS HEREOF BEFORE SIGNING, WHEN SIGNED BY ALL PARTIES, THIS FINANCING ADDENDUM BECOMES PART OP A LEGALLY BINDING CONTRACT, IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING**

_____	_____	_____	_____
Buyer	Date	Seller	Date
_____	_____	_____	_____
Buyer	Date	Seller	Date