

VA LOAN ASSUMPTION CONTINGENCY ADDENDUM

This form is not intended to be used with a VA Financing Contingency.

This Addendum is made on _____, to a sales contract ("Contract") offered on _____, between ("Buyer") and _____ ("Seller") for the purchase and sale of Property: _____.

Buyer and Seller agree to work diligently and in good faith with Lender and each other to complete the VA Loan assumption, including responding to requests in a timely manner. Contract is modified as follows:

1. **LENDER.** Buyer agrees to assume Seller's existing VA Loan serviced by _____ ("Lender").
2. **LOAN TERMS.** Seller represents to Buyer that the terms of Seller's existing VA Loan to be assumed by Buyer are as follows:

Original Loan Amount: _____

Principal Balance as of (date): _____

Interest Rate: _____

Fixed/Adjustable: _____

Original Term (years): _____

Date of Original Note: _____

Current Monthly Payment: Amount: _____

Principal & Interest: _____

Escrow: _____

Buyer understands that Current Principal Balance is approximate and may change prior to Settlement based on additional monthly payments made by Seller. Any difference in the principal balance between the date of this Addendum and Settlement Date will be paid by Buyer at Settlement, subject to the terms of MONTHLY PAYMENTS below.

3. **NOTE REVIEW PERIOD.** Seller will Deliver to Buyer a copy of the fully executed note to be assumed by Buyer ("Note") within five (5) Days after Ratification. Buyer, in their sole discretion, may Deliver to Seller Notice to Void Contract by 9:00 PM three (3) Days after Delivery of Note.
4. **MONTHLY PAYMENTS.** Seller represents that Seller is current on monthly payments and the existing VA Loan is not in default. Seller will continue to make monthly mortgage payments to Lender when due until Settlement in accordance with Loan Terms above. Seller will not make any other principal curtailments or payments in excess of their monthly mortgage obligations.
5. **ASSUMPTION FEES.** Buyer will pay any assumption fees and/or charges related to the assumption imposed by Lender by Settlement.
6. **ESCROW ACCOUNT.** Seller will pay at Settlement to Lender any amounts to bring escrow or impound account balance into compliance with lender requirements. Buyer agrees to reimburse Seller at Settlement for any positive escrow or impound account balance held by Lender for property taxes and homeowner's insurance, to the extent allowable by Lender.
7. **RELEASE OF LIABILITY.** Parties will obtain a release of Seller's personal liability for repayment of the VA Loan by Settlement.

- 8. SUBSTITUTION FOR ENTITLEMENT.** Substitution of entitlement is only available if Buyer is a veteran. Buyer and Seller ☐ **will** or ☐ **will not** obtain said substitution of Seller's VA entitlement by Settlement.
- 9. APPLICATION.** Seller will contact Lender in a timely fashion to obtain the loan application form and will provide such form to Buyer upon receipt. Buyer will make a written application for the assumption with Lender after receipt of loan application form.
- 10. NOTICE.** Parties will promptly provide Notice to the other of lender approval or denial of VA Loan assumption.
- 11. LENDER DENIAL.** If Lender determines that the VA Loan assumption cannot be completed and/or Seller's personal liability is not released and provides a written denial of such to Parties, Contract is Void.
- 12. EXTENDED SETTLEMENT DATE.** As of the date of this Addendum, neither Buyer nor Seller are aware of the exact timeframe required for Lender to complete the VA Loan assumption. Parties understand that the assumption process may exceed 45 days. If the assumption cannot be completed by Settlement Date, the parties agree that Settlement Date will automatically extend to _____ ("Extended Settlement Date"). If Extended Settlement Date falls on a day other than a Business Day, then Extended Settlement Date will be on the prior Business Day.

If Lender does not approve the VA Loan assumption by Extended Settlement Date, then Parties may mutually agree to a new Extended Settlement Date. If Parties do not so agree, Contract will become Void.

Extended Settlement Date only impacts Parties' obligations relating to the VA Loan assumption. No other timelines or deadlines pertaining to Settlement Date in Contract or any other addenda shall be impacted or extended by the establishment thereof.

SELLER:

Date Signature

Date Signature

Date Signature

Date Signature

BUYER:

Date Signature

Date Signature

Date Signature

Date Signature



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