

## CONVENTIONAL FINANCING ADDENDUM

This Addendum is made on \_\_\_\_\_, to a sales contract offer ("Contract") dated \_\_\_\_\_, between \_\_\_\_\_ ("Purchaser") and \_\_\_\_\_ ("Seller") for the purchase and sale of the Property: \_\_\_\_\_

1. **DEED(S) OF TRUST** Purchaser shall pay upfront and/or monthly mortgage insurance premiums as required by lender guidelines.
2. **FINANCING CONTINGENCY**
  - A. This Contract is contingent until 9 p.m. \_\_\_\_\_ Days after Date of Ratification ("Financing Deadline") upon Purchaser obtaining and delivering to Seller a written commitment or commitments, as the case may be, for the financing described in the PRICE AND SPECIFIED FINANCING paragraph of this Contract. Purchaser agrees to make written application for such financing (including the payment of any required fees) within 7 days of the Date of Ratification and to diligently pursue obtaining a commitment for such financing.
  - B. If this contingency has not been satisfied by the Financing Deadline, this contingency will continue up to and including Settlement Date, unless Seller at Seller's option Delivers Notice to Purchaser that this Contract will become void. If Seller Delivers such Notice, this Contract will become void at 9 p.m. on the third Day following Delivery of Seller's Notice unless, prior to that date and time, Purchaser Delivers to Seller the written commitment or a Notice removing this contingency and evidence of the availability of funds necessary to settle without such financing.
  - C. This Contract will become void if, prior to satisfaction of this contingency, Purchaser receives a written rejection from the lender or lenders to whom Purchaser has applied pursuant to Paragraph 2.A. for the Specified Financing and Delivers a copy of the written rejection to Seller on or before Settlement Date.
  - D. Purchaser will be in Default whether or not the Financing Contingency has been removed if Settlement does not occur on Settlement Date for any reason other than Default by Seller.
3. **APPRAISAL CONTINGENCY** This Contract  is contingent **OR**  is not contingent upon an Appraisal pursuant to this paragraph. Purchaser shall have until 9:00 p.m. \_\_\_\_\_ Days (minimum of 21 days recommended) following the Date of Ratification to obtain an Appraisal ("Appraisal Deadline"). In the event that neither box is checked, this Contract is contingent upon an Appraisal pursuant to this paragraph and the Appraisal Deadline is the Financing Deadline set forth above. Purchaser shall provide Notice to Seller by the Appraisal Deadline, as follows:
  - A. The Appraisal is equal to or greater than the Sales Price. This contingency has been satisfied and removed. The parties shall proceed to Settlement; **OR**
  - B. The Appraisal is equal to or greater than the Sales Price. However, Purchaser elects not to proceed with consummation of this Contract because the Property does not satisfy the lender(s) requirements, the Appraisal does not allow for the Specified Financing or the Property is inadequate collateral. Such Notice must be accompanied by a written denial of the financing showing written evidence of the lender(s)'s decision concerning the Property. Purchaser must provide such written evidence concurrently with Purchaser's Notice of election not to proceed; **OR**
  - C. The Appraisal is not equal to or greater than the Sales Price and Purchaser elects not to proceed with consummation of this Contract unless Seller elects to lower the Sales Price to the appraised value. Purchaser's Notice shall include a copy of the written statement setting forth the appraised

value of the Property. It will be Seller's option to lower the Sales Price to the appraised value and the parties shall proceed to Settlement at the lower Sales Price. If Seller does not make this election, the parties may agree to mutually acceptable terms. Each election must be made by Notice within 3 Days after Notice from the other party. The parties will immediately sign any appropriate amendments. If the parties fail to agree, this Contract will become void; **OR**

**D.** Purchaser elects to proceed with consummation of this Contract without regard to the Appraisal. The parties shall proceed to Settlement.

If Purchaser fails to give Seller Notice by the Appraisal Deadline, this contingency will continue, unless Seller at Seller's option gives Notice to Purchaser that this Contract will become void. If Seller delivers such Notice, this Contract will become void at 9 p.m. on the third day following Delivery of Seller's Notice, unless prior to such date and time Purchaser delivers the required Notice.

- 4. SELLER SUBSIDY** Seller will pay at Settlement \$ \_\_\_\_\_ toward Purchaser's charges (including but not limited to loan origination fees, discount points, buy down or subsidy fees, prepaids or other charges) as allowed by lender(s). It is Purchaser's responsibility to confirm with his lender(s) that the entire credit provided herein may be utilized. If lender(s) prohibits Seller from the payment of any portion of this credit, then said credit shall be reduced to the amount allowed by lender(s).
  
- 5. LENDER REQUIRED REPAIRS** If, as a condition of providing financing under this Contract, the lender(s) requires repairs to be made to the Property, then Purchaser will give Notice to Seller of the lender(s)'s required repairs. Within 5 Days after such Notice, Seller will give Notice to Purchaser as to whether Seller will make the repairs. If Seller will not make the repairs, Purchaser will give Notice to Seller within 5 Days after Seller's Notice as to whether Purchaser will make the repairs. If neither Seller nor Purchaser will make the repairs, then this Contract will become void. This clause will not release Seller from any responsibilities set forth in the paragraphs titled UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING; PERSONAL PROPERTY AND FIXTURES; WOOD-DESTROYING INSECT INSPECTION; or in the Private Well and/or Septic System Addendum or any terms specifically set forth in this Contract and any addenda.

**SELLER:**

_____ / _____	
Date	Signature
_____ / _____	
Date	Signature
_____ / _____	
Date	Signature
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Date	Signature

**PURCHASER:**

_____ / _____	
Date	Signature
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Date	Signature
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