

**FINANCING ADDENDUM
ASSUMPTION**

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- 1. Date _____
- 2. Page _____

3. Addendum to Purchase Agreement between parties dated _____, 20 _____ pertaining to the

4. purchase and sale of the property at _____;

5. _____;

6. Buyer assumes and agrees to pay according to the terms and conditions the following:

7. That certain mortgage in an approximate principal amount of \$ _____

8. in favor of _____

9. with a current interest rate not to exceed _____%.

10. That certain contract(s) in an approximate principal amount of \$ _____

11. with a current interest rate not to exceed _____%.

12. The total amount of the financing assumed is \$ _____.

13. The exact unpaid balance of the mortgage(s) and/or contract(s) for deed will be determined as of the date of closing and

14. any difference between the actual mortgage(s) and/or contract(s) for deed amount and the amount stated in this

15. agreement will be adjusted in **CASH** at closing so the total purchase price will remain the same. If at closing the actual

16. mortgage(s) and/or contract(s) for deed balance is less than 98% of the approximate amount of financing stated in

17. this agreement, Buyer may, by notice in writing delivered to the listing broker, cancel and terminate this agreement,

18. at which time the earnest money paid shall be refunded to Buyer, less any costs incurred as a result of the assumption

19. application; Buyer and Seller shall immediately sign a cancellation of Purchase Agreement. However, Buyer, at Buyer's option,

20. may proceed with this agreement regardless of the actual mortgage(s) and/or contract(s) for deed amount.

21. In the event the mortgagee or vendor requires approval of Buyer as a condition for allowing the assumption, Buyer

22. agrees to make application for said assumption within 5 business days of acceptance of this agreement. If Buyer does

23. not qualify for the assumption of the mortgage(s) and/or contract(s) for deed, or if the interest rate is changed to a rate

24. greater than the rate set forth herein, this agreement shall become null and void and earnest money paid shall be

25. refunded to Buyer, less any costs incurred as a result of the assumption application; Buyer and Seller agree to sign

26. a Cancellation of Purchase Agreement.

27. Buyer agrees to pay an assumption fee, if required, not to exceed \$ _____.

28. **BUYER AGREES TO REIMBURSE SELLER / SELLER AGREES TO TRANSFER TO BUYER any portion of unused and**
-----(*circle one*)-----

29. **reimbursed escrows at time of closing. Seller certifies escrow deposits will be current as required by lender as**
30. **of date of closing.**

31. Seller warrants that the present financing is:

32. Type of Loan: (*Check all that apply*)

33. DVA

34. FHA

35. CONVENTIONAL

36. PURCHASE MONEY MORTGAGE(S)

37. CONTRACT(S) FOR DEED

Type of Interest Rate/Payment Schedule: (*Check all that apply*)

FIXED RATE

ADJUSTABLE RATE

GRADUATED PAYMENT

BALLOON

OTHER _____

38. The present financing **IS / IS NOT** negatively amortized.
-----(*circle one*)-----

39. **NOTE: On DVA assumption Seller's entitlement shall remain with the property unless the assuming Buyer is a**
40. **Veteran and is approved by DVA to substitute Buyer's entitlement or the loan is paid in full.**

41. **NOTE: On any mortgage assumption Seller shall remain liable for the mortgage obligation unless released**
42. **from liability by DVA, FHA and/or lender.**

43. **NOTE: For any FHA mortgage dated on or after December 1, 1986 or DVA Mortgage dated on or after March 1, 1988,**
44. **check with mortgage lender(s) for assumption requirements.**

45. **OTHER:**

46. _____
(Seller) (Date) (Buyer) (Date)

47. _____
(Seller) (Date) (Buyer) (Date)

48. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.**
49. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**