

**FINANCING ADDENDUM  
PURCHASE MONEY MORTGAGE**

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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. **TYPE OF MORTGAGE:**

7.  Purchase Money Mortgage       Purchase Money Mortgage with Assumption of Financing (See attached Assumption Addendum)

8. **MORTGAGE TERMS:**

9. **Purchase Money Mortgage**

10. \$ \_\_\_\_\_ by Minnesota Uniform Conveyancing Form, (a partial copy of standard clauses are on the reverse side)  
11. between Seller and Buyer, payable in installments of \$ \_\_\_\_\_ per month or more at the option of the Buyer,  
12. including interest at the rate of \_\_\_\_\_ per cent per annum computed on unpaid balances. Interest shall begin  
13. on \_\_\_\_\_. First payment shall be due and payable on \_\_\_\_\_,  
14. and subsequent payments shall be due and payable on \_\_\_\_\_ day of each succeeding month. Payments shall be credited  
15. first to interest and remainder to principal. The entire balance of this mortgage shall be due and payable in full no later  
16. than \_\_\_\_\_. The final payment **IS / IS NOT** a balloon payment.  
-----*(circle one)*-----

17. **Buyer agrees to pay the following expenses incurred in placing the Purchase Money Mortgage: Mortgage Registration  
18. Tax; Filing Fee for Mortgage Deed.**

19. **Existing Mortgage(s) Not Being Assumed by Buyer and Not Being Paid Off:** (If not applicable, strike lines 19-25)

20. It is understood that there is now a **mortgage(s)** encumbering said property which **DOES / DOES NOT** have a due on sale clause,  
-----*(circle one)*-----

NOTE: If answer is **DOES**, seek competent legal advice.

22. with an unpaid balance of approximately \$ \_\_\_\_\_ by mortgage(s) which mortgage Buyer does not  
23. assume nor agree to pay but which is to be paid according to its terms by Seller. In the event Seller fails to make the required  
24. payments thereunder, Buyer shall have the right to make said payments and deduct all amounts paid from payments next due  
25. under this purchase money mortgage.

26. **Credit Approval:**

27. Buyer shall furnish to Seller, for Seller's approval, a signed financial statement within 5 business days after acceptance of this Purchase  
28. Agreement. Buyer authorizes Seller to conduct credit checks Seller desires at Seller's expense. Buyer further agrees to sign documents  
29. necessary for Seller to obtain the financial information. Seller has \_\_\_\_\_ days after receipt of the financial statement from Buyer to  
30. approve Buyer. In the event Seller does not approve Buyer, Seller shall immediately notify Buyer in writing, and this agreement shall be  
31. null and void and earnest money shall be returned to Buyer; Buyer and Seller shall immediately sign a cancellation of Purchase Agreement.

32. **ADDITIONAL TERMS:**

33. *The Minnesota Uniform Conveyancing Form shall contain the following additional provisions which are preceded by initials of  
34. the undersigned Buyer and Seller.*

35. **Taxes and Insurance** (select option(s) a-d):

- 36. 

Buyer	Buyer	Seller	Seller

 a. Buyer to pay 1/12 taxes and insurance premiums to Seller each month in addition to the principal and interest payments.  
37. Seller agrees to pay the real estate taxes and insurance premium as they become due.
- 38. 

Buyer	Buyer	Seller	Seller

 b. Buyer shall pay real estate taxes and hazard insurance premiums directly as they become due and furnish Seller with  
39. paid receipt of same.
- 40. 

Buyer	Buyer	Seller	Seller

 c. Tax and insurance escrow: If the real estate taxes and hazard insurance premiums are included in the assumed  
41. mortgage payments, the Buyer shall pay said tax and insurance escrows to the mortgagee.
- 42. 

Buyer	Buyer	Seller	Seller

 d. Monies paid for non-homestead tax differential shall be held in escrow by \_\_\_\_\_ until  
43. payable to county treasurer.

44. **Purchase Money Mortgage—Assumable with Seller Approval:**

45. 

Buyer	Seller

 Buyer's interest in the property is not transferable without first obtaining the written consent of Seller. Seller shall not unreasonably  
46. withhold consent. In the event Buyer violates this provision, the entire unpaid principal balance of this mortgage together with all  
47. accrued but unpaid interest thereon shall become immediately due and payable. This provision does not apply to leases, transfers  
48. by devise, decent, divorce or by operation of law upon the death of a joint tenant.

49. **For further terms, use attached addendum.**

50. \_\_\_\_\_ (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_ (Buyer) \_\_\_\_\_ (Date)

51. \_\_\_\_\_ (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_ (Buyer) \_\_\_\_\_ (Date)

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

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UNIFORM PURCHASE MONEY MORTGAGE BLANK WHICH WILL BE USED AT CLOSING**

54. UNIFORM COVENANTS, Borrower and Lender covenant and agree as follows:

55. **1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness evidenced  
56. by the Note and late charges as provided in the Note.

57. **2. Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender  
58. on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein  
59. "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development  
60. assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus one-twelfth  
61. of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance,  
62. if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable  
63. estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower  
64. makes such payments to the holder of a prior mortgage of deed of trust if such holder is an institutional lender.

65. If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured  
66. or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds  
67. to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying  
68. the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower  
69. interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing  
70. at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement  
71. is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or  
72. earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits  
73. and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional  
74. security for the sums secured by this Mortgage.

75. If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due  
76. dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes,  
77. assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either  
78. promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by  
79. Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower  
80. shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.  
81. Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by  
82. Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall  
83. apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender  
84. at the time of application as a credit against the sums secured by this Mortgage.

85. **3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note  
86. and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under  
87. paragraph hereof, then to interest payable on the Note, and then to the principal of the Note.

88. **4. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any  
89. mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's  
90. covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges,  
91. fines, and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments  
92. or ground rents, if any.

93. **5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured  
94. against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require  
95. and in such amounts and for such periods as Lender may require.

96. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that  
97. such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable  
98. to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have  
99. the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security  
100. agreement with a lien which has priority over this Mortgage.

101. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss  
102. if not made promptly by Borrower.

103. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is  
104. mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized  
105. to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums  
106. secured by this mortgage.

107. **6. Preservation and Maintenance of Property; Leaseholds; Common Interest Communities.** Borrower  
108. shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property  
109. and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a  
110. common interest community, Borrower shall perform all of Borrower's obligations under the declaration  
111. or covenants creating or governing the common interest community, the by-laws and regulations of the  
112. common interest community, and constituent documents.

113. **7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage,  
114. or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's  
115. option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees,  
116. and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition  
117. of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in  
118. effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or  
119. applicable law.

120. Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional  
121. indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such  
122. amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this  
123. paragraph 7 shall require Lender to incur any expense or take any action hereunder.

124. **8. Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided  
125. that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's  
126. interest in the Property.

127. **9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any  
128. condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned  
129. and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien  
130. which has priority over this Mortgage.