

**FINANCING ADDENDUM  
DVA GUARANTEED MORTGAGE**

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1. Date \_\_\_\_\_  
2. Page \_\_\_\_\_

3. Addendum to Purchase Agreement between parties dated \_\_\_\_\_, 20\_\_\_\_\_, pertaining to the purchase  
4. and sale of the property at \_\_\_\_\_

5. \_\_\_\_\_

6. Buyer will apply for and secure at Buyer's expense a **Department of Veterans' Affairs (DVA) GUARANTEED** \_\_\_\_\_  
(Fixed, ARM, etc.)

7. mortgage in the amount stated in the Purchase Agreement, amortized monthly over a period of not more than \_\_\_\_\_ years, with  
8. an initial mortgage interest rate at no more than \_\_\_\_\_ percent per annum. The mortgage application **IS TO BE MADE**  
9. **WITHIN FIVE (5) BUSINESS DAYS** after the acceptance of this Purchase Agreement. Buyer agrees to use best efforts to secure a  
10. commitment for such financing and to execute all documents required to consummate said financing.

11. **FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following: (**check one**)

12.  If Buyer cannot secure a commitment for such mortgage, this Purchase Agreement shall become null and void. Buyer and  
13. Seller shall immediately sign a Cancellation of Purchase Agreement directing all earnest money paid hereunder to be  
14. refunded to Buyer.

15.  Buyer shall provide Seller, or Licensee representing or assisting Seller, with a final underwriting approval commitment for the  
16. loan specified in this Purchase Agreement, including completed appraisal, and stating all conditions required by the lender to  
17. close the loan, on or before \_\_\_\_\_, 20 \_\_\_\_\_. If said commitment is not provided by said date, Seller may, at Seller's  
18. option, declare this Purchase Agreement null and void up to the date of closing unless Buyer provides the underwriting  
19. approval commitment prior to such cancellation. If Seller cancels the Purchase Agreement, Buyer and Seller shall  
20. immediately sign a Cancellation of Purchase Agreement directing all earnest money paid hereunder to be refunded to Buyer.  
21. If said commitment is not provided by said date and this Purchase Agreement does not close on the closing date specified,  
22. this Purchase Agreement shall become null and void. Buyer and Seller shall immediately sign a Cancellation of Purchase  
23. Agreement directing all earnest money paid hereunder to be refunded to Buyer. Upon delivery of said commitment  
24. to Seller, or Licensee representing or assisting Seller, the responsibility for satisfying all conditions, except  
25. work orders, required by said commitment is deemed accepted by Buyer. Upon delivery of said commitment, if the  
26. Purchase Agreement does not close on the stated closing date for **ANY REASON** relating to financing, other than  
27. Seller's failure to complete work orders to the extent required by the Purchase Agreement, including but not  
28. limited to interest rate and discount points, if any, Seller may, at Seller's option, declare this Purchase Agreement null and void.  
29. Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement directing all earnest money paid hereunder to  
30. be forfeited to Seller as liquidated damages, or, in the alternative, Seller may seek all other remedies allowed by law.

31. **FUNDING FEE:** Pursuant to Federal Regulations, a one-time Funding Fee must be paid at the closing of this transaction  
32. as follows:

33. \_\_\_\_\_ paid by Buyer **AT CLOSING / ADDED TO MORTGAGE AMOUNT**  
------(circle one)-----

34. \_\_\_\_\_ paid by Seller.

35. **NOTE:** Pursuant to DVA regulations, Buyer is prohibited from paying the DVA closing fee.

36. **DISCOUNT POINTS:** If either Buyer or Seller have agreed to pay discount points pursuant to this Purchase Agreement, a  
37. Mortgage Discount Points Addendum must be attached.

38. **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The interest rate will be locked with the lender by Buyer:  
39. (**check one**)

40.  **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE OF THIS PURCHASE AGREEMENT; OR**

41.  **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER.**

42. **DVA COMMITMENT WORK ORDERS:** Nothing in this Purchase Agreement shall be construed as a warranty that  
43. Seller will make repairs required by the DVA commitment. However, Seller agrees to pay up to \$ \_\_\_\_\_ to  
44. make repairs as required by the DVA commitment. If the DVA commitment is subject to any work orders for which the cost of  
45. making said repairs shall exceed this amount, Seller shall have the following options:

46. (A) making the necessary repairs; or

47. (B) negotiating the cost of making the repairs with Buyer; or

48. (C) declaring the Purchase Agreement null and void. Buyer and Seller shall immediately sign a Cancellation of the Purchase  
49. Agreement directing all earnest money paid hereunder to be refunded to Buyer, unless Buyer provides for payment of the  
50. cost of said repairs or escrow amounts related thereto above the amount specified on line 43 of this Addendum.

51. **LENDER PROCESSING FEES:** Seller agrees to pay miscellaneous processing fees which the lender cannot charge  
52. to Buyer, not to exceed \$ \_\_\_\_\_.

53. **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE:** "It is expressly agreed that, notwithstanding any other provisions  
54. of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete  
55. the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of  
56. this property established by the Department of Veterans' Affairs. The purchaser shall, however, have the privilege and option  
57. of proceeding with the consummation of this contract without regard to the amount of reasonable value established by  
58. the Department of Veterans' Affairs."

59. **NOTE:** **Verify DVA requirements relating to payment of all special assessments levied and pending, and annual**  
60. **installments of special assessments certified to yearly taxes.**

61. **OTHER:** \_\_\_\_\_  
62. \_\_\_\_\_

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

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

65. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.**  
66. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**  
MN:FAVM (10/03)