

**FINANCING ADDENDUM
FHA INSURED MORTGAGE**

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1. Page _____
2. Date _____

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 an **FHA INSURED** _____ mortgage in the
(Fixed, ARM, etc.)

7. 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 acceptance 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. **MORTGAGE INSURANCE PREMIUMS:** Pursuant to Federal Regulations, a one-time Mortgage Insurance Premium (MIP)
32. must be paid to FHA at the closing of this transaction. The said Mortgage Insurance Premium will increase the mortgage amount
33. unless paid in cash at the closing. This provision may not be applicable to condominium transactions.

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

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

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

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

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

- 44. (A) making the necessary repairs; or
- 45. (B) negotiating the cost of making said repairs with Buyer; or
- 46. (C) declaring the Purchase Agreement null and void. Buyer and Seller shall immediately sign a Cancellation of the Purchase
47. Agreement directing all earnest money paid hereunder to be refunded to Buyer, unless Buyer provides for payment of
48. the cost of said repairs or escrow amounts related thereto above the amount specified on line 41 of this Addendum.

49. **SELLER / BUYER** agrees to pay any reinspection fee required by Buyer's lender.

.....(circle one).....

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

52. **FHA ESCAPE CLAUSE:** "It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser
53. shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of
54. earnest money deposits or otherwise, unless the purchaser has been given in accordance with HUD/FHA or DVA
55. requirements a written statement by the Federal Housing Commissioner, Department of Veterans' Affairs or a Direct
56. Endorsement lender setting forth the appraised value of the property of not less than \$ _____
(sale price)

57. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the
58. amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the
59. Department of Housing and Urban Development will insure, HUD does not warrant the value nor the condition of the
60. property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable."

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.**