

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated _____ 1
between _____ (“Buyer”) 2
and _____ (“Seller”) 3
concerning _____ (the "Property"). 4

1. DOWN PAYMENT/LOAN APPLICATION. 5

- a. **Loan Application.** This Agreement is contingent on Buyer obtaining the following loan or loans to purchase 6
the Property (the “Loan(s)”: Conventional First; Conventional Second; Bridge; VA; FHA; Rural 7
Development (“RD”); Home Equity Line of Credit; Other _____ (the 8
“Financing Contingency”). Buyer agrees to pay \$ _____ down, 9
in addition to the Loans and to make written application for the Loans to pay the balance of the Purchase 10
Price and pay the application fee, if required, for the subject Property within _____ days (5 days if 11
not filled in) after mutual acceptance of this Agreement. If not waived, the Financing Contingency shall survive 12
the Closing Date. 13
- b. **Waiver of Financing Contingency.** If Buyer (i) fails to make application for financing for the Property within 14
the agreed time; (ii) changes the type of loan without Seller’s prior written consent; or (iii) changes the lender 15
without Seller’s prior written consent after the agreed upon time to apply for financing expires, then the 16
Financing Contingency shall be deemed waived. For purposes of this Addendum, “lender” means the party 17
funding the loan. 18

2. SELLER’S RIGHT TO TERMINATE. 19

- a. **Right to Terminate Notice.** At any time _____ days (30 days if not filled in) after mutual 20
acceptance, Seller may give notice to Buyer that Seller may terminate the Agreement at any time 3 days after 21
delivery of that notice (the “Right to Terminate Notice”). NWMLS Form 22AR may be used for this notice. 22
- b. **Termination Notice.** If Buyer has not previously waived the Financing Contingency, Seller may give notice of 23
termination of this Agreement (the “Termination Notice”) any time following 3 days after delivery of the Right 24
to Terminate Notice. If Seller gives the Termination Notice before Buyer has waived the Financing 25
Contingency, this Agreement is terminated and the Earnest Money shall be refunded to Buyer. NWMLS Form 26
22AR shall be used for this notice. 27

3. LOAN COST PROVISIONS. Seller agrees to pay up to _____ (\$0.00 if not filled in), which 28
shall be applied to Buyer’s Loan(s) and settlement costs, including, but not limited to prepaids, loan discount, loan 29
fee, interest buy down, financing, closing, or other costs allowed by lender. If this sale is contingent on Buyer 30
obtaining an FHA, RD, or VA loan, Seller shall also pay up to \$300.00 for that portion of Buyer’s Loan and 31
settlement costs that the Lender is prohibited from collecting from Buyer under FHA/RD/VA regulations. If this 32
sale is contingent on Buyer obtaining a VA loan, Seller shall also pay the full escrow fee for the closing of this 33
Agreement. 34

4. EARNEST MONEY. If Buyer has not waived the Financing Contingency, and is unable to obtain financing after a 35
good faith effort then, on Buyer’s notice, this Agreement shall terminate. The Earnest Money shall be refunded to 36
Buyer after Buyer delivers to Seller written confirmation from Buyer’s lender confirming (a) the date Buyer’s loan 37
application for the subject property was made; (b) that Buyer possessed sufficient funds to close; and (c) the 38
reasons Buyer’s application was denied. If Seller terminates this Agreement, the Earnest Money shall be refunded 39
without need for such confirmation from Buyer’s lender. 40

5. INSPECTION. Seller agrees to permit inspections required by Buyer’s lender, including but not limited to 41
structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for 42
such inspections unless otherwise agreed. 43

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

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Continued

6. APPRAISAL LESS THAN SALE PRICE. If Buyer's lender's appraised value of the Property is less than the Purchase Price, Buyer may, within 3 days after receipt of a copy of lender's appraisal, give notice, which includes a copy of lender's appraisal, of Buyer's election to terminate this Agreement unless Seller, within 10 days after receipt of such notice, delivers to Buyer either:

- a. A reappraisal or reconsideration of value, at the Seller's expense, by the same appraiser or another appraiser, acceptable to the lender, in an amount not less than the Purchase Price; or
- b. Seller's written consent to reduce the Purchase Price to an amount not more than the amount specified in the appraisal or reappraisal by the same appraiser, or an appraisal by another appraiser acceptable to lender, whichever is higher. (This provision is not applicable if this Agreement is conditioned on FHA, VA, or RD financing. FHA, VA, and RD financing does not permit the Buyer to be obligated to buy if the Seller reduces the Purchase Price to the appraised value. Buyer, however, has the option to buy at the reduced price.)

If such appraisal, reappraisal, or consent to reduction of the Purchase Price is not so delivered, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. The Closing date shall be extended as necessary to accommodate the foregoing times for notices. Buyer's waiver of the Financing Contingency constitutes waiver of this Paragraph 6.

7. FHA/VA/RD - Appraisal Certificate. If this Agreement is contingent on Buyer obtaining FHA, VA, or RD financing, notwithstanding any other provisions of this Agreement, Buyer is not obligated to complete the purchase of the Property unless Buyer has been given in accordance with HUD/FHA, VA, or RD requirements a written statement by FHA, VA, RD or a Direct Endorsement lender, setting forth the appraised value of the Property (excluding closing costs). Buyer shall pay the costs of any appraisal. If the appraised value of the Property is less than the Purchase Price, Paragraph 6 above shall apply. If Seller does not reduce the Purchase Price to the appraised or reappraised value, or deliver a reappraisal at or exceeding the Purchase Price, Buyer may close this Agreement without regard to the appraised value, provided the difference in excess of the appraised value is paid in cash.

Purpose of Appraisal. The appraised valuation is arrived at only to determine the maximum mortgage FHA, VA, or RD will insure. FHA, VA, or RD do not warrant the value or the condition of the Property. Buyer agrees to satisfy himself/herself that the price and condition of the Property are acceptable.

8. EXTENSION OF CLOSING TO ACCOMMODATE REQUIREMENTS OF REGULATION Z OF THE TRUTH IN LENDING ACT. In the event the Annual Percentage Rate ("APR") of Buyer's Loan(s) varies from the APR initially disclosed to Buyer in the Good Faith Estimate provided by Buyer's lender(s) by .125% or more in the case of a fixed rate loan or .250% in an adjustable rate loan, the Closing Date shall be extended for up to four (4) days to accommodate the requirements of Regulation Z of the Truth in Lending Act. This paragraph shall survive Buyer's waiver of the Financing Contingency.

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____