

CONVENTIONAL FINANCING AND APPRAISAL CONTINGENCY ADDENDUM

This Addendum is made on _____, to a sales contract ("Contract") offered on _____, between _____ ("Buyer") and _____ ("Seller") for the purchase and sale of Property: _____.

1. **DEED(S) OF TRUST** Buyer shall pay upfront and/or monthly mortgage insurance premiums as required by lender guidelines.

2. FINANCING CONTINGENCY

- A. This Contract is contingent until 9 p.m. _____ Days after Date of Ratification ("Financing Deadline") upon Buyer obtaining and delivering to Seller a written commitment(s) or conditional commitment(s), as the case may be, for the financing described in the PRICE AND SPECIFIED FINANCING paragraph of this Contract.
- B. If this contingency has not been satisfied by the Financing Deadline, this contingency will continue up to and including Settlement Date. However, upon expiration of the Financing Deadline, Seller may at Seller's option Deliver Notice to Buyer that Buyer has three days to void the Contract. If Buyer does not void the Contract within three days following Delivery of Seller's Notice, this contingency is removed and the Contract will remain in full force and effect with no Financing Contingency.
- C. This Contract will become void if, prior to satisfaction of this contingency, Buyer receives a written rejection from the lender or lenders to whom Buyer has applied pursuant to Paragraph 2 for the Specified Financing and Delivers a copy of the written rejection to Seller on or before Settlement Date.
- D. Buyer will be in Default whether or not the Financing Contingency has been removed if Settlement does not occur on Settlement Date for any reason other than Default by Seller.
- E. If this Contingency has expired, or not been removed or satisfied, any delay of the Settlement Date necessary to comply with Buyer's lender's obligations pursuant to the TILA-RESPA Integrated Disclosure rule, is not a Default by Buyer; but, Seller may declare the Contract void in writing.
- F. Nothing herein shall prohibit the parties from mutually agreeing to terms acceptable to both parties in writing.

3. **APPRAISAL CONTINGENCY** This Contract is contingent **OR** is not contingent upon an Appraisal pursuant to this paragraph. Buyer shall have until 9 p.m. _____ Days (minimum of 21 days recommended) following the Date of Ratification to obtain an Appraisal ("Appraisal Deadline"). In the event that neither box is checked, this Contract is contingent upon an Appraisal pursuant to this paragraph and the Appraisal Deadline is the Financing Deadline set forth above. Buyer shall provide Notice to Seller by the Appraisal Deadline, as follows:

- A. The Appraisal is equal to or greater than the Sales Price. This contingency has been satisfied and removed. The parties shall proceed to Settlement; **OR**

- B.** The Appraisal is equal to or greater than the Sales Price. However, Buyer elects not to proceed with consummation of this Contract because Property does not satisfy the lender(s) requirements, the Appraisal does not allow for the Specified Financing or Property is inadequate collateral. Such Notice must be accompanied by a written denial of the financing showing written evidence of the lender(s)'s decision concerning Property. Buyer must provide such written evidence concurrently with Buyer's Notice of election not to proceed; **OR**
- C.** The Appraisal is not equal to or greater than the Sales Price and Buyer elects not to proceed with consummation of this Contract unless Seller elects to lower the Sales Price to the appraised value. Buyer's Notice shall include a copy of the written statement setting forth the appraised value of Property. It will be Seller's option to lower the Sales Price to the appraised value and the parties shall proceed to Settlement at the lower Sales Price. If Seller does not make this election, the parties may agree to mutually acceptable terms. Each election must be made by Notice within 3 Days after Notice from the other party. The parties will immediately sign any appropriate amendments. If the parties fail to agree, this Contract will become void; **OR**
- D.** Buyer elects to proceed with consummation of this Contract without regard to the Appraisal. The parties shall proceed to Settlement.

If Buyer fails to give Seller Notice by the Appraisal Deadline, this contingency will continue, unless Seller at Seller's option gives Notice to Buyer that this Contract will become void. If Seller delivers such Notice, this Contract will become void at 9 p.m. on the third day following Delivery of Seller's Notice, unless prior to such date and time Buyer delivers the required Notice.

- 4. SELLER SUBSIDY** Seller will pay at Settlement the Seller Subsidy toward Buyer's charges (including but not limited to loan origination fees, discount points, buy down or subsidy fees, prepaids or other charges) as allowed by lender(s). It is Buyer's responsibility to confirm with his lender(s) that the entire credit provided herein may be utilized. If lender(s) prohibits Seller from the payment of any portion of this credit, then said credit shall be reduced to the amount allowed by lender(s).
- 5. LENDER REQUIRED REPAIRS** If, as a condition of providing financing under this Contract, the lender(s) requires repairs to be made to Property, then Buyer will give Notice to Seller of the lender(s)'s required repairs. Within 5 Days after such Notice, Seller will give Notice to Buyer as to whether Seller will make the repairs. If Seller will not make the repairs, Buyer will give Notice to Seller within 5 Days after Seller's Notice as to whether Buyer will make the repairs. If neither Seller nor Buyer will make the repairs, then this Contract will become void. This clause will not release Seller from any responsibilities set forth in the paragraphs titled UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING; PERSONAL PROPERTY AND FIXTURES; WOOD-DESTROYING INSECT INSPECTION; or in the Private Well and/or Septic System Addendum or any terms specifically set forth in this Contract and any addenda.

SELLER:

_____/_____
 Date Signature

_____/_____
 Date Signature

_____/_____
 Date Signature

_____/_____
 Date Signature

BUYER:

_____/_____
 Date Signature

_____/_____
 Date Signature

_____/_____
 Date Signature

_____/_____
 Date Signature

EDUCATIONAL VERSION

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