

FHA/VA FINANCING ADDENDUM

1. **THE PARTIES.** This Purchase Agreement Addendum (“Addendum”) made this _____ is by and between:

Seller: _____ (“Seller”) and

Buyer: _____ (“Buyer”).

The Seller and Buyer are each referred to herein as a “Party” and, collectively, as the “Parties.”

2. **ORIGINAL AGREEMENT.** This Addendum is being added to the purchase agreement between the Parties, dated _____, for the property located at _____ (“Original Agreement”).

3. **FINANCING.** The Buyer is applying for a: (check one)

- FHA Loan

- VA Loan

Except as specifically mentioned in this Addendum, all other terms and conditions of the Original Agreement shall remain in full force and effect.

4. **FHA FINANCING AMENDATORY CLAUSE.** It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not be obligated to complete the purchase of the property or to incur any penalty for forfeiture of earnest money deposits or otherwise unless the Buyer has been given in accordance with HUD/FHA or DVA requirements a written statement issued by the Federal Housing Commissioner, the Department of Veterans Affairs or a Direct Endorsement lender, setting forth the appraised value of the property of not less than \$_____. The Buyer shall, however, have the privilege and option of proceeding with the consummation of the contract without regard to the amount of the appraised valuation. **The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The Buyer should satisfy himself/herself that the price and condition of the property are acceptable.**

5. **VA NOTICE TO BUYER.** It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not incur any penalty by forfeiture of earnest money deposits or otherwise be obligated to complete the purchase of the property if the contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. The Buyer shall,

however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by DVA. If Buyer elects to complete the purchase at an amount in excess of the reasonable value established by DVA, Buyer shall pay such excess amount in cash from a source which Buyer agrees to disclose to the DVA and which Buyer represents will not be from borrowed funds except as approved by DVA. If DVA reasonable value of the property is less than the sales price, Seller shall have the option of reducing the sales price to an amount equal to the DVA reasonable value and the parties to the sale may close at such lower sales price with appropriate adjustments to the sales contract.

6. **REQUIRED REPAIRS.** Seller shall make any and all appraisal-required repairs, provided that the cost does not exceed \$_____. This cost shall be in addition to Seller's other obligations under the terms of the Original Agreement and this Addendum.
7. **EXECUTION.** This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
8. **CERTIFICATION.** The Seller, the Buyer, and the broker hereby certify that the terms of the sales contract are true to the best of their knowledge and belief and it is agreed that any other agreement entered into by any of the parties is fully disclosed and attached to the sales contract.

Seller Signature: _____ **Date:** _____

Print Name: _____

Listing Agent Signature: _____ **Date:** _____

Print Name: _____

Buyer Signature: _____ **Date:** _____

Print Name: _____

Selling Agent Signature: _____ **Date:** _____

Print Name: _____