**SELLER FINANCING ADDENDUM**

1. **THE PARTIES**. This Seller Financing Purchase Agreement Addendum (“Addendum”) made this [MM/DD/YYYY] is by and between:

Seller: [SELLER'S NAME] (“Seller”) and

Buyer: [BUYER'S NAME] (“Buyer”).

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

1. **ORIGINAL AGREEMENT**. This Addendum is being added to the purchase agreement between the Parties, dated [MM/DD/YYYY], for the property located at [PROPERTY ADDRESS] (“Original Agreement”).
2. **MORTGAGE**. As part of the purchase price stated in the Original Agreement, the Buyer shall execute and deliver to the Seller at closing a promissory note and purchase money mortgage that is a: (check one)

☐ - First Mortgage. The mortgage on the property will be the original mortgage.

☐ - Second Mortgage. The mortgage on the property will be a second mortgage   
 in the amount of $[AMOUNT] at an interest rate of [PERCENTAGE]%  
 per annum in accordance with this Addendum.

1. **BUYER’S** **CREDIT** **INFORMATION**. Within [DAYS] days after the effective date of this Addendum, the Buyer shall furnish all credit, employment, and financial information reasonably required by the Seller (“Credit Information”).
2. **SELLER’S** **APPROVAL**. The Seller shall deliver a written notice to the Buyer within [DAYS] days if their Credit Information is approved or rejected. If no written notice is delivered, the Buyer shall be considered approved for the Seller's financing under the terms of this Addendum. If the Buyer’s Credit Information is rejected by the Seller, any earnest money deposited as part of the Original Agreement shall be returned to the Buyer unless otherwise stated.
3. **FINANCING** **TERMS**. The Seller’s financing terms shall be: (check one)

☐ - Amortized Loan. The loan will be fully amortized for a term of: (check one)

☐ [MONTHS] Months

☐ [YEARS] Years

☐ - Interest Only. An interest-only mortgage loan that complies with the   
 requirements of the Dodd-Frank legislation and requires monthly payments   
 with the entire principal balance and accrued interest due in full on   
 [MM/DD/YYYY].

☐ - Balloon Mortgage. A balloon mortgage that complies with the requirements of   
 the Dodd-Frank legislation and is initially amortized for a term of: (check one)

☐ [MONTHS] Months

☐ [YEARS] Years

with the remaining principal balance and accrued interest due in full on   
 [MM/DD/YYYY].

☐ - Adjustable-Rate Mortgage. An adjustable-rate mortgage loan that shall be for   
 a term of: (check one)

☐ [MONTHS] Months

☐ [YEARS] Years

The adjustment-rate mortgage shall have interest rate adjustments as   
 follows:

(1) The initial annual interest rate may change after [YEARS] years and   
 thereafter every [YEARS] years. Each date on which the interest rate   
 changes is called a “Change Date”; and

(2) The interest rate adjustments shall be based on a widely available index   
 identified in (3) below. As of each Change Date, the new interest rate will be   
 calculated by adding [PERCENTAGE BASIS POINT] percentage (basis)   
 points to the then current index; however, the difference between the interest   
 rate paid during the preceding twelve months and the new interest rate shall:   
 (check one)

☐ Not be limited.

☐ Be limited to a change in the interest rate of [PERCENTAGE BASIS POINT] percentage (basis) points, and the lifetime interest rate change from the initial annual interest.

☐ Be limited to [PERCENTAGE BASIS POINT] percentage (basis)   
 points.

(3) The widely available index to be used to calculate interest rate adjustments   
 shall be: (check one)

☐ The weekly average yield on the United States Treasury   
securities adjusted to a constant maturity of one year, as   
made available by the Federal Reserve Board on the date 45   
days before each Change Date.

☐ Other: [INTEREST RATE INDEX]

1. **TAXES**. All real property taxes shall: (check one)

☐ - Be Escrowed. All real property taxes shall be escrowed.

☐ - Not Be Escrowed. The real property taxes shall not be escrowed and   
 the proof of payment shall be furnished at the request of the mortgage holder   
 within five (5) days.

1. **INSURANCE**. All real property and liability insurance shall: (check one)

☐ - Be Escrowed. All real property and liability insurance shall be escrowed.

☐ - Not Be Escrowed. The real property and liability insurance shall not be   
 escrowed, and the proof of payment shall be furnished at the request of the   
 mortgage holder within five (5) days.

1. **PREPAYMENT**. There shall be: (check one)

☐ - No Prepayment Penalty. The Buyer may pay the total amount of the   
 mortgage at any time free of penalties or fees.

☐ - Prepayment Penalty. If the balance of the mortgage is paid before the last   
 payment date, the penalty for such prepayment shall be $[AMOUNT].

1. **LATE** **PAYMENT**. There will be a late charge calculated as [PERCENTAGE]% of any installment not received by the mortgage holder within [DAYS] days of its due date.
2. **SALE** **OF** **PROPERTY**. The mortgage shall be due: (check one)

☐ - Upon the Sale of Property. The mortgage shall be due upon the sale of the   
 property.

☐ - Not Upon the Sale of Property. The mortgage shall not be due upon the sale   
 of the property.

1. **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.

**Seller Signature**: [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_](http://esign.com/) Date: [MM/DD/YYYY]

Print Name: [SELLER NAME]

**Buyer Signature**: [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_](http://esign.com/) Date: [MM/DD/YYYY]

Print Name: [BUYER NAME]