

FHA/VA ADDENDUM

BUYER/PURCHASER: _____

SELLER: _____

PROPERTY ADDRESS: _____

The following clauses shall amend the Deposit Receipt and Contract for Sale and Purchase (Contract) to which this is attached when used for FHA or VA financing (Federal Housing Administration or Veterans Administration). In the event of inconsistencies between this Addendum and the Deposit Receipt and Contract for Sale and Purchase, the provisions contained in this Addendum shall prevail.

(NOTE: Complete the appropriate paragraph on Page 1, Re: FHA/VA, of the Contract which is being used in conjunction with this Addendum.)

1. MORTGAGE CONTINGENCY: This Contract is contingent upon the Buyer qualifying for an FHA Insured Mortgage Loan or a VA Guaranteed Mortgage Loan in the amount of \$ _____ (or the maximum allowable loan plus FHA Mortgage Insurance Premium or VA Funding Fee, if this blank is not filled in) for a period of _____ years (thirty (30) years if blank is not filled in). Buyer and Seller agree to comply with FHA or VA regulations and conditions.

2. MORTGAGE CLOSING COSTS:

2.1 BUYER MORTGAGE CLOSING COSTS: All Mortgage Closing Costs, except Non-Allowable Mortgage Closing Costs and agreed Costs (see 2.2 below) shall be paid by Buyer. Prepayments, including prepaid interest adjustment, escrows for taxes, hazard insurance, flood insurance, monthly MIP and other required escrows shall be paid by Buyer at time of closing. The FHA Mortgage Insurance Premium (MIP) or VA Funding Fee, due and payable at time of closing, shall be paid by Buyer and may be financed in the mortgage or paid in cash.

2.2 SELLER MORTGAGE CLOSING COSTS:

2.2 (a) NON-ALLOWABLE MORTGAGE CLOSING COSTS: Seller acknowledges that there are certain Mortgage Closing Costs which FHA and VA regulations do not allow the Buyer to pay. Seller agrees to pay these Non-allowable Mortgage Closing Costs up to a maximum amount not to exceed \$ _____ (\$850.00 if this blank is not filled in). This is in addition to any Mortgage Closing Costs or other Closing Costs (including pre-payments) which Seller agrees to pay per paragraph 2.2 (b) below.

2.2 (b) Seller agrees to pay up to \$ _____ (zero (0) amount if left blank) of Buyer's Closing Costs in addition to Non-Allowable Mortgage Closing Costs agreed to be paid by Seller in 2.2 (a) above. Closing Costs include but are not limited to prepayments, discount points and Mortgage Closing Costs. This amount shall be applied in the following order: (a) to prepayments, (b) to discount points, if any, and (c) remaining balance, if any, to Mortgage Closing Costs. The one-time FHA Mortgage Insurance Premium or VA Funding Fee shall not be included in this paragraph.

3. INDICATE BY CHECK MARK FINANCING REQUESTED:

3.1 (_____) FHA FINANCING. FHA APPRAISAL: It is expressly agreed that notwithstanding any other provisions of this Contract, the Purchaser shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the Buyer has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans

Property Address: _____

Administration, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than \$_____. The Buyer shall have the privilege and option of proceeding with 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.

3.2 (____) VA FINANCING. VA APPRAISAL: It is expressly agreed that, notwithstanding any other provisions of this Contract, the Buyer shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the Property described herein, 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 the Department of Veterans Affairs.

4. TITLE EVIDENCE: After Buyer notifies Seller of approval of Buyer's mortgage loan, Seller shall comply with the EVIDENCE OF TITLE Standards as set forth in the Contract. The title insurer of the mortgage loan and title insurer's agent must be acceptable by lender.

5. INSPECTIONS AND REPAIRS: Inspections and repairs required by FHA or VA regulations shall be made in a manner meeting the requirements of FHA or VA. All other inspections shall be governed by the provisions set forth in the Contract. The limitations on repair expense as set forth in the Contract shall control in the event all costs of repairs exceed the maximum amount as set forth in the Contract. Seller shall pay for any inspections required by VA.

6. CONDOMINIUM UNIT: The following shall apply in the event subject purchase consists of a Condominium Apartment Unit: This Contract and the Buyer's and Seller's obligations hereunder are contingent upon the project, in which the Property is located, being prior approved by the FHA or VA, as applicable.

7. NOTICE AS REQUIRED BY FHA/VA:

7.1 BUYER ACKNOWLEDGES RECEIPT OF THE REQUIRED HUD/FHA DISCLOSURE FORM TITLED "THE IMPORTANCE OF A HOME INSPECTION". A COPY OF SAID DISCLOSURE FORM MUST BE SIGNED BY BUYER ACKNOWLEDGING RECEIPT OF SAME AND THE SIGNED COPY MUST BE PRESENTED TO THE LENDER WITH AN EXECUTED COPY OF THE CONTRACT AND FHA/VA ADDENDUM AT TIME OF LOAN APPLICATION.

7.2 IF SUBJECT HOME WAS CONSTRUCTED BEFORE 1978, BUYER ACKNOWLEDGES RECEIPT OF THE REQUIRED "WATCH OUT FOR LEAD-BASED PAINT POISONING" DISCLOSURE FORM PRIOR TO SIGNING THE CONTRACT TO PURCHASE. IF THIS FHA PARAGRAPH IS APPLICABLE, A COPY OF THE DISCLOSURE FORM MUST BE SIGNED BY BUYER ACKNOWLEDGING RECEIPT OF THE DISCLOSURE AND THE SIGNED COPY MUST BE PRESENTED TO THE LENDER WITH AN EXECUTED COPY OF THE CONTRACT AND FHA/VA ADDENDUM AT TIME OF LOAN APPLICATION.

8. ADDITIONAL TERMS, IF ANY:

Property Address: _____

ADDITIONAL TERMS, IF ANY (CONTINUED):

WE, THE UNDERSIGNED, HEREBY CERTIFY THAT THE TERMS OF THE SALES CONTRACT ARE TRUE TO THE BEST OF OUR KNOWLEDGE AND BELIEF, AND THAT ANY OTHER AGREEMENT ENTERED INTO BY ANY OF THE PARTIES IN CONNECTION WITH THIS TRANSACTION IS PART OF, OR ATTACHED TO, THE SALES AGREEMENT.

Executed by Buyer on _____, 200 ____

Buyer

Buyer

Executed by Seller on _____, 200 ____

Seller

Seller

MUST BE EXECUTED BY SELLING REAL ESTATE BROKER:

(Type or print name of Selling Broker)

By: _____ Date: _____, 2000 ____

THIS IS INTENDED TO BE A LEGALLY BINDING ADDENDUM. If you do not fully understand this Addendum, seek the advice of an attorney prior to signing. If you desire legal or tax advice consult an appropriate professional. This form has been approved by the REALTOR® Association of Greater Fort Lauderdale, Inc. Approval does not constitute an opinion that any of the terms and conditions in this Addendum should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated based upon the respective interests, objections and bargaining positions of all parties.