

**FINANCING ADDENDUM  
FHA INSURED MORTGAGE**

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1. Date \_\_\_\_\_  
2. Page \_\_\_\_\_

3. Addendum to Purchase Agreement between parties, dated \_\_\_\_\_, 20\_\_\_\_\_, pertaining  
4. to the purchase and sale of the property at \_\_\_\_\_

5. \_\_\_\_\_  
6. There  **IS**  **IS NOT** a *Buyer's Financial Disclosure Statement* submitted with this Purchase Agreement.  
-----*(Check one.)*-----

7. Buyer shall apply for and secure, at Buyer's expense, an **FHA INSURED** \_\_\_\_\_ mortgage  
(e.g., Fixed, ARM)

8. in the amount stated in this Purchase Agreement, amortized monthly over a period of not more than \_\_\_\_\_

9. years, with an initial mortgage interest rate at no more than \_\_\_\_\_ percent (%) per annum. The mortgage  
10. application **ISTO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance of this Purchase Agreement.  
11. Buyer agrees to use best efforts to secure a commitment for acceptance for such financing and to execute all documents  
12. required to consummate said financing.

13. **FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following and applies to the first  
14. mortgage and any subordinate financing.  
15. *(Check one.)*

16. For purposes of this Contingency, "**Written Statement**" means a Written Statement prepared by Buyer's mortgage  
17. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this Purchase  
18. Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an appraisal,  
19. satisfactory to the lender(s), has been completed and stating conditions required by lender(s) to close the loan.

20.  If Buyer cannot secure such mortgage(s) and this Purchase Agreement does not close on the closing  
21. date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation*  
22. *of Purchase Agreement* confirming said cancellation and directing all earnest money paid hereunder to be refunded  
23. to Buyer.

24.  Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on  
25. or before \_\_\_\_\_, 20\_\_\_\_\_.

26. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the responsibility  
27. for satisfying all conditions, except work orders, required by mortgage originator(s) or lender(s) are deemed  
28. accepted by Buyer. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the  
29. stated closing date for ANY REASON relating to financing, other than Seller's failure to complete work orders to the extent  
30. required by this Purchase Agreement, including but not limited to interest rate and discount points, if any, Seller  
31. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is  
32. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a  
33. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid hereunder  
34. to be forfeited to Seller as liquidated damages. In the alternative, Seller may seek all other remedies allowed by  
35. law.

36. If the Written Statement is not provided by the date specified on line 25, this Purchase Agreement is canceled.  
37. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and  
38. directing all earnest money paid hereunder to be refunded to Buyer.

39. **MORTGAGE INSURANCE PREMIUMS:** Pursuant to federal regulations, a one-time Mortgage Insurance Premium (MIP)  
40. must be paid to FHA at the closing of this transaction. The said Mortgage Insurance Premium will increase the mortgage  
41. amount unless paid in cash at the closing. This provision may not be applicable to condominium transactions.

42. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**  
43. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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44. Page \_\_\_\_\_

45. Property located at \_\_\_\_\_ .

46. **DISCOUNT POINTS:** If Seller has agreed to pay discount points pursuant to this Purchase Agreement, a *Financing Addendum Seller's Contribution to Closing Costs and Discount Points* must be attached. Nothing in this Agreement shall prohibit Buyer from paying any mortgage discount points.

49. **LOCKING OF MORTGAGE INTEREST RATE (RATE):** The Rate shall be locked with the lender(s) by Buyer (check one):

51.  **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE OF THIS PURCHASE AGREEMENT; OR**

52.  **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**

53. **FHA COMMITMENT WORK ORDERS:** Nothing in this Purchase Agreement shall be construed as a warranty that Seller shall make repairs required by the FHA commitment. However, Seller agrees to pay up to \$ \_\_\_\_\_ to make repairs as required by the FHA commitment. If the FHA commitment is subject to any work orders for which the cost of making said repairs shall exceed this amount, Seller shall have the following options:

- 57. (a) making the necessary repairs; or
- 58. (b) negotiating the cost of making said repairs with Buyer; or
- 59. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs or escrow amounts related thereto above the amount specified on line 54 of this Addendum.

63.  **SELLER**  **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).  
------(Check one.)-----

64. **LENDER PROCESSING FEES:** Seller agrees to pay miscellaneous processing fees which the lender(s) cannot charge to Buyer, not to exceed \$ \_\_\_\_\_ .

66. **FHA ESCAPE CLAUSE:** "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 purchaser has been given in accordance with HUD/FHA or DVA requirements a written statement by the Federal Housing Commissioner, Department of Veterans' Affairs or a Direct Endorsement lender setting forth the appraised value of the property as not less than \$ \_\_\_\_\_ .  
(sale price)

71. The purchaser 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 purchaser should satisfy himself/herself that the price and condition of the property are acceptable."

76. **HOME INSPECTION:** HUD requires mortgage lenders of FHA insured mortgages to provide the form *For Your Protection: Get a Home Inspection*.

78. **OTHER:** \_\_\_\_\_

79. \_\_\_\_\_

80. \_\_\_\_\_  
(Seller) (Date) (Buyer) (Date)

81. \_\_\_\_\_  
(Seller) (Date) (Buyer) (Date)

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