

**FINANCING ADDENDUM
DVA GUARANTEED MORTGAGE**

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1. Date _____

2. Page _____

3. Addendum to Purchase Agreement between parties, dated _____, 20_____, pertaining to the
4. 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, a **Department of Veterans' Affairs (DVA) GUARANTEED**

8. _____ mortgage in the amount stated in this Purchase Agreement, amortized monthly over a period
(Fixed, ARM, etc.)

9. of not more than _____ years, with an initial mortgage interest rate at no more than _____ percent (%) per
10. annum. The mortgage application **IS TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance of
11. this Purchase Agreement. Buyer agrees to use best efforts to secure a commitment for such financing and to execute
12. all documents 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 of*
22. *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. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
40. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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41. Page _____

42. Property located at _____ .

43. **FUNDING FEE:** Pursuant to Federal Regulations, a one-time Funding Fee must be paid at the closing of this transaction
44. as follows:

45. _____ paid by Buyer **AT CLOSING** **ADDED TO MORTGAGE AMOUNT**
------(Check one.)-----

46. _____ paid by Seller

47. **NOTE: DVA regulations limit the fees and charges Buyer can pay to obtain a DVA loan.**

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

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

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

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

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

- 59. (a) making the necessary repairs; or
- 60. (b) negotiating the cost of making the repairs with Buyer; or
- 61. (c) declaring this Purchase Agreement cancelled, in which case this Purchase Agreement is cancelled. Buyer and
62. Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing
63. all earnest money paid hereunder to be refunded to Buyer, unless Buyer provides for payment of the cost of said
64. repairs or escrow amounts related thereto above the amount specified on line 56 of this Addendum.

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

67. **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE:** "It is expressly agreed that, notwithstanding any other
68. provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be
69. obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds
70. the reasonable value of this property established by the Department of Veterans' Affairs. The purchaser shall, however,
71. have the privilege and option of proceeding with the consummation of this contract without regard to the amount of
72. reasonable value established by the Department of Veterans' Affairs."

73. **NOTE: Verify DVA requirements relating to payment of all special assessments levied and pending, and**
74. **annual installments of special assessments certified to yearly taxes.**

75. **OTHER:** _____

76. _____

77. _____

78. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

79. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

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