



VA FINANCING ADDENDUM

ADDENDUM # _____ dated _____ to Contract of Sale
between Buyer _____
and Seller _____
for Property known as _____.

The Contract is contingent upon Buyer obtaining a mortgage guaranteed by the Veterans Administration and secured by the Property as follows:

1. LOAN DETAILS:

VA Funding Fee	\$ _____	Loan Program _____
Base Loan Amount	\$ _____	TERM OF LOAN _____ Years
TOTAL LOAN AMOUNT	\$ _____	INITIAL INTEREST RATE _____ %

Buyer agrees to pay to Lender loan origination/discount fees of _____% of the loan amount, and Seller agrees to pay loan origination/discount fees of _____% of the loan amount. Buyer shall receive the benefit of any reduction in said fees. Under the "Settlement Costs" Paragraph of the Contract, Buyer obtaining VA financing is prohibited from paying certain charges, and Seller hereby agrees to pay such charges not to exceed \$ _____.

BY ACCEPTING A LOAN AGREEMENT WHEREBY THE INTEREST RATE AND LOAN DISCOUNT FEES ARE NOT BEING LOCKED IN, BUYER AGREES TO ACCEPT THE RATE AS CHARGED BY LENDER AT THE TIME OF LOCK-IN AND THE RESPONSIBILITY FOR ANY ADDITIONAL LOAN DISCOUNT FEES CHARGED, AND BUYER SHALL REMAIN BOUND BY THE TERMS OF THE CONTRACT, NOTWITHSTANDING ANY SUCH CHANGES IN THE RATE AND/OR FEES.

2. MONTHLY PAYMENT: Payments to Lender shall include monthly principal and interest, plus one-twelfth of the annual real property taxes, ground rent, special assessments or charges, if any, hazard insurance premium, flood insurance premium, and private mortgage insurance where required.

3. LOAN UNDERWRITING: Buyer and Seller understand that Lender will have to resubmit the loan to underwriting if, from the time Buyer's loan application was approved to the time of settlement, there are any increases to the interest rate and/or the loan origination/discount fees. To the extent such changes do not conflict with the conditions of the Contract, Buyer agrees to comply with Lender's request for additional or updated information as required to approve the loan.

4. VETERANS ADMINISTRATION GUARANTEED LOAN:

A. VA LOAN: Buyer's deposit shall be placed in an escrow account as required by Title 38, US Code, Section 3706. It is expressly agreed that, notwithstanding any other provisions of this Contract, Buyer shall not incur any penalty by forfeiture of earnest money or otherwise 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 Veterans Administration or Buyer is not approved by the Veterans Administration and the lending institution. In the event Certificate of Reasonable Value is less than the amount of the Contract price, Buyer shall have the privilege and option for five (5) days after receipt of the VA appraisal to proceed with the consummation of this Contract without regard to the amount of reasonable value established by the Veterans Administration by giving the Seller notice of his intention to do so in writing. If Seller elects to reduce the Contract price to the appraised valuation, Buyer covenants and agrees to be bound to proceed with consummation hereof at the appraised valuation price. If Seller does not elect to reduce the price after Buyer's refusal to consummate this Contract at its full price, then this Contract shall be null and void. This Contract is contingent on the approval of the house and Buyer by the Veterans Administration and the lending institution.



