



USDA 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 through the United States Department of Agriculture ("USDA") and secured by the Property as follows:

1. LOAN DETAILS:

| | | | |
|--------------------------------|----------|-----------------------|-------------|
| Rural Housing Guarantee 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. All loan insurance premiums as required by Lender shall be paid by Buyer.

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, private mortgage insurance where required, and the monthly Annual Rural Development fee.

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. USDA AMENDATORY CLAUSE: It is expressly agreed that, notwithstanding any other provisions of this Contract, Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of deposit or otherwise unless Buyer has been given in accordance with HUD/USDA or VA 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 of not less than the Purchase Price. Buyer shall have the privilege and option for five (5) days after receipt of the appraisal to proceed with the consummation of this Contract without regard to the appraised value by giving Seller written notice of Buyer's intention to do so. The appraised value is arrived at to determine the maximum mortgage that the USDA will insure. The USDA does not warrant the value or condition of the Property. Buyer should ensure that the price and condition of the Property are acceptable to Buyer. If Buyer and Seller agree to adjust the Purchase Price to the appraised value, Buyer covenants and agrees to be bound to proceed with consummation hereof at the appraised value. A new USDA Amendatory Clause is not required. However, the loan application package must include the original Contract along with the revised or amended Contract. If Buyer and Seller do not agree to adjust the Purchase Price to the appraised value, then this Contract shall be null and void.



