



SUPPLEMENTAL FINANCING AGREEMENT TO THE REAL ESTATE PURCHASE CONTRACT OR THE CONDOMINIUM REAL ESTATE PURCHASE CONTRACT

EQUITY ASSUMPTION/SECOND MORTGAGE/SELLER-CARRIED

This Agreement supplements and is attached to a certain Real Estate Purchase Contract or Condominium Real Estate Purchase Contract (the "Contract") between the undersigned Seller(s) ("Seller") and the undersigned Buyer(s) ("Buyer") dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, relating to the following described real estate, which street address is: \_\_\_\_\_

Buyer acknowledges and agrees that all explanations, representations and disclosures concerning the terms and conditions of the loan(s) contemplated below are the responsibility of the Lender and not the Seller, (unless Seller is lender), or Listing and Selling Broker and their affiliated licensees. This Agreement, upon its execution by both parties, is made an integral part of the Contract. All Provisions of the Contract shall remain in full force and effect.

Buyer elects to purchase on the following financial terms: (Check one)

- A. EQUITY ASSUMPTION [ ] B. SECOND MORTGAGE [ ] C. SELLER CARRIED FIXED RATE MORTGAGE [ ]

A. EQUITY ASSUMPTION:

1. Buyer shall assume and pay a first mortgage loan only with a mortgage loan balance of \$ \_\_\_\_\_ or less (unless otherwise specified in Paragraph 7 below) which bears interest at the rate of \_\_\_\_\_ % per annum and is payable at \$ \_\_\_\_\_ per month which includes principal, interest \_\_\_\_\_ . This first mortgage loan is in favor of \_\_\_\_\_ ("Lender") and the actual amount to be assumed will be reflected by Lender's records at the time of Closing.

If such loan cannot be assumed by Buyer, the Earnest Money herewith deposited shall be returned to Buyer, less that amount charged by Lender for the Property appraisal, Buyer's credit report, and any other charges incurred on behalf of Buyer.

2. TYPE OF ASSUMPTION AND ADJUSTMENT: (Check one)

[ ] (a) EXACT EQUITY-ADJUSTED SALES PRICE:

Buyer shall pay exactly \_\_\_\_\_ for the equity and the sales price shall be adjusted at the time of Closing to reflect the exact equity as stated.

[ ] (b) EXACT SALES PRICE-ADJUSTED EQUITY:

The equity shall be adjusted at the time of Closing to reflect an exact sales price of \$ \_\_\_\_\_ .

3. ESCROW ACCOUNT, INTEREST, PRORATIONS AND PAYMENTS: The escrow account, interest and prorations shall be purchased or transferred at the time of Closing as follows (Check one):

[ ] (a) PURCHASE:

Escrow account shall be purchased by Buyer. Any shortage in escrow account shall be paid by Seller. Interest on the first mortgage loan described in Paragraph 1 above, ad valorem taxes and mortgage insurance, if any, shall be prorated to date of Closing and Buyer shall pay the day of Closing unless otherwise specified in Paragraph 7 below. Unused hazard insurance policy shall be purchased by Buyer and Seller shall provide written proof thereof. In the event Lender requires the next monthly payment to be paid at Closing, Buyer shall make such payment.

[ ] (b) TRANSFER:

Escrow account shall be transferred to Buyer at no cost. Any shortage in escrow account shall be paid by Seller and any overage in escrow account shall be refunded to Seller from Buyer at time of Closing on the basis of information contained in the assumption statement. Interest on the first mortgage loan described in Paragraph 1 above, ad valorem taxes for the calendar year, if escrowed, and pre-paid mortgage insurance shall not be prorated. Unused hazard insurance policy shall be transferred to Buyer at no cost, if transferrable, and Seller shall provide written proof thereof at Closing. If such policy is not transferable, Buyer shall purchase a new insurance policy; or if such policy requires additional months of premiums, Buyer shall pay for extended coverage. In the event Lender requires the next monthly payment to be paid at Closing, Buyer shall make such payment.

4. EXISTING FIRST MORTGAGE LOAN LIABILITY: (Check one)

[ ] (a) SELLER RELEASED:

Buyer shall make a loan application within five (5) working days after acceptance hereof by Seller and shall diligently pursue approval thereof. Buyer shall execute, at Closing, all documents required by Lender to release Seller from all liability under the first mortgage loan. In the event Lender refuses to release Seller, then Seller at Seller's option may terminate the Contract and this Agreement and the Earnest Money herewith deposited shall be returned to Buyer, less that amount charged by Lender for the Property appraisal, Buyer's credit report, and any other charges incurred on behalf of Buyer.

[ ] (b) SELLER NOT RELEASED:

Seller shall not be released from liability under the first mortgage loan.

5. BUYER'S EXPENSES: Buyer shall pay at the time of the Closing, IN CASH OR CERTIFIED FUNDS, one half of the escrow closing fee, the transfer fee and other loan fees required by Lender, Buyer's recording fees, and all other funds required from Buyer set forth in the Contract and this Agreement.

6. SELLER'S EXPENSES: Seller shall pay at time of the Closing documentary stamps required, one half of the escrow closing fee and Seller's recording fees. First mortgage loan payments shall be current and such mortgage shall not otherwise be in default at the time of Closing. In the event Seller is required to provide funds at the Closing, such funds shall be IN CASH OR CERTIFIED FUNDS.

7. SPECIAL PROVISIONS: \_\_\_\_\_

Buyer's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_

B. SECOND MORTGAGE:

1. This sale is contingent upon the ability of Buyer to obtain and qualify for a Second Mortgage loan in the amount of \_\_\_\_\_ for a period of \_\_\_\_\_ years, with beginning interest rate not to exceed \_\_\_\_\_ % per annum (unless Buyer elects to pay higher interest) plus private mortgage insurance fee, if any. If such Second Mortgage loan is not available to Buyer, the Earnest Money herewith deposited shall be refunded to Buyer.

2. CLOSING COSTS: (a) Loan service, origination, commitment, and/or discount fees not to exceed a total of \$ \_\_\_\_\_ shall be paid \_\_\_\_\_ by Buyer and \_\_\_\_\_ by Seller; (b) Buyer shall pay the first year private mortgage insurance fee, if any; (c) Buyer shall pay the credit report fee at time of loan application; (d) Buyer shall pay the appraisal fee at time of loan application; and (e) Buyer shall pay all other Buyer's loan closing costs. EXCEPT: \_\_\_\_\_

3. LOAN APPLICATION: Buyer shall make a loan application within five (5) business days after acceptance hereof by Seller and shall diligently pursue approval thereof in a timely manner.

4. BUYER'S EXPENSES: Buyer shall pay at the time of Closing, IN CASH OR CERTIFIED FUNDS, prepaid escrow deposits as required by the Lender, interest beginning the day of Closing through the end of the month, one half of the escrow closing fee, Buyer's recording fees, and all other funds required from Buyer set forth in the Contract and this Agreement.

5. SELLER'S EXPENSES: Seller shall pay at the time of Closing the following expenses as applicable: documentary stamps required, one half of the escrow closing fee, Seller's recording fees, Lender's final inspection and all other expenses required from Seller set forth in the Contract and this Agreement. Seller shall satisfy all Lender's repair requirements to the Property, if any, not to exceed the amount specified in Paragraph 3 to the Contract. In the event Seller is required to provide funds at Closing, such funds shall be IN CASH OR CERTIFIED FUNDS.

6. SPECIAL PROVISIONS: \_\_\_\_\_

Buyer's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_

C. SELLER-CARRIER FIXED RATE MORTGAGE:

1. At Closing, Buyer shall execute and deliver to Seller a promissory note (the "Note"), secured by a mortgage on the Property, in the sum of \$ \_\_\_\_\_ with interest thereon at the rate of \_\_\_\_\_ % per annum. The Note shall be payable in monthly installments of \$ \_\_\_\_\_ each (calculated on the basis of a \_\_\_\_\_ year amortization schedule) beginning on the first day of the second month after the date of Closing and on the first day of each month thereafter for \_\_\_\_\_ months when the entire unpaid balance of principal then unpaid and accrued interest thereon shall be due and payable. The Note and mortgage shall provide for Buyer to have the right to prepay the Note in full or in part without penalty and shall require, at Seller's option, the unpaid principal and accrued interest on the Note to be due in the event of the sale or transfer of any interest in the Property.

2. Buyer shall provide at the time of Closing written proof of a paid in full homeowner's insurance policy on the Property for an amount not less than the total sum of all the outstanding mortgage amounts on the Property. Such insurance shall name Seller as a loss payee and shall provide for at least 10 days notice of cancellation to Seller. Such insurance in such amount shall be maintained in full force and effect until the Note is paid in full. The Note and mortgage shall require Buyer to provide Seller proof of payment of ad valorem taxes and insurance premiums and, in the event of non-payment, permit Seller, at Seller's option, to make such payment or to declare the Note to be due.

3. Seller's attorney, at Seller's expense, shall prepare the Note and mortgage and such Note and mortgage shall be subject to approval by Buyer's attorney at Buyer's expense.

4. SPECIAL PROVISIONS: \_\_\_\_\_

5. BUYER'S EXPENSES: Buyer shall pay at the time of Closing, IN CASH OR CERTIFIED FUNDS, interest beginning the day of Closing through the end of the month, one half of the escrow closing fee, Buyer's recording fees, attorney's fee to examine the Note and mortgage, and all other funds required from Buyer set forth in the Contract and this Agreement.

6. SELLER'S EXPENSES: Seller shall pay at the time of Closing, documentary stamps required, one half of the escrow closing fee, Seller's recording fees, attorney's fee for drafting the Note and mortgage, and mortgage tax. In the event Seller is required to provide funds at Closing, such funds shall be IN CASH OR CERTIFIED FUNDS.

Buyer's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_