

Seller Financing Addendum

This addendum is made on _____, to a sales contract ("Contract") dated _____ between _____ ("Purchaser") and _____ ("Seller") for the purchase and sale of the property ("Property"): _____.

A. TYPE OF FINANCING. Seller will provide Purchaser with a loan evidenced by a Promissory Note ("Note") pursuant to the terms set forth in Paragraph B, and secured in part by a **(check one)** First Second Third Deed of Trust ("Deed of Trust") recorded against the Property, **subject to the approval of the prior lender(s) if applicable.**

B. LOAN TERMS.

1. **Amount.** Seller shall provide a loan to Purchaser in the amount of \$ _____ at _____% interest per year, payable at approximately \$ _____ per month.

2. **Payment of principal.** Monthly payment shall be: **(check one)**

- (a.) interest only.
- (b.) payments of principle and interest amortized over a period of _____ years.

3. **Prepayment of principal.** **(check one)**

- (a.) This Note may be prepaid in full or part without penalty at any time.
- (b.) This Note may be prepaid at any time but Purchaser shall pay Seller a _____% penalty if prepaid during the first _____ year(s).
- (c.) This Note may not be prepaid.

4. **Term.** The balance of this Note shall be due _____ year(s) and/or _____ month(s) from the date of settlement.

C. TAX AND INSURANCE ESCROWS. **(check one)**

1. **Escrow Required.** Purchaser shall pay Seller 1/12 the annual county/city property taxes and hazard insurance premium as part of Purchaser's monthly payment to Seller, and Seller shall pay all county/city property taxes and insurance premiums timely, and shall provide evidence of payment to Purchaser.

2. **Escrow Not Required.** Purchaser shall furnish Seller proof of timely payment of all county/city property tax payments and hazard insurance premiums within 7 days of when payment is due.

Purchaser also agrees to name Seller as the additional loss payee on the hazard insurance policy or condominium insurance policy.

D. CREDIT DOCUMENTATION AND APPROVAL. Purchaser shall furnish Seller within 10 business days of Contract acceptance the following financial information: **(check all that apply)**

- 1. a current "Tri Merge" credit report to include FICO scores.
- 2. verification of current employment and salary.
- 3. verification of funds on deposit.

Purchaser hereby authorizes any credit reporting agency, employer or financial institution to furnish Seller with the above indicated information. Seller agrees to keep all information strictly confidential.

If Purchaser fails to deliver the above indicated information within 10 business days, this contingency will continue unless Seller at Seller's option gives Notice to Purchaser that Seller declares this Contract void.

Seller grants loan approval under the terms of this paragraph unless Seller notifies Purchaser in writing within 3 business days after receipt of Purchaser's above indicated financial data that Seller is unwilling to make the loan to Purchaser, in which case Purchaser or Seller may declare this contract void.

E. CONTINGENCY FOR SALE OF NOTE. (check one)

- 1. This Contract is contingent for 10 business days after the date of Contract acceptance on Seller obtaining a written commitment for the sale of Note at settlement at a discount not to exceed _____% or this Contract may be voidable at the option of Seller.
- 2. This Contract is not contingent on Seller obtaining written commitment for sale of Note.

F. FEES FOR PREPARATION OF LOAN DOCUMENTS. Seller's attorney shall prepare the Note and Deed of Trust. Reasonable fees for the preparation of the Note and Deed of Trust shall be paid by Purchaser. The Purchaser shall pay for a lender's title insurance policy on behalf of Seller for the full loan amount.

G. OTHER TERMS: _____

PURCHASER:
 _____ (SEAL)
 Date / Signature
 _____ (SEAL)
 Date / Signature

SELLER:
 _____ (SEAL)
 Date / Signature
 _____ (SEAL)
 Date / Signature

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