

1 **Loan Assumption Addendum – Draft (11.15)**

2 Seller: _____

3 Buyer: _____

4 Premises Address: _____

5 Date: _____

6 The following additional terms and conditions are hereby included as part of the Contract between
7 Seller and Buyer for the above referenced Premises.

8 Buyer agrees to assume the existing first position loan and pay all payment subsequent to Close of
9 Escrow.

10 If additional loan(s) is being assumed, see additional terms and conditions line 47 of this addendum.

11 **Assumption:** This sale ___ is ___ is not contingent upon the Buyer qualifying for assumption of the
12 existing first position loan

13 This assumption is contingent upon the Buyer's approval of the terms and conditions of the loan being
14 assumed within ___ days of Contract acceptance.

15 If more than one loan is being assumed, see Additional Terms and Conditions begin on Line 65 of this
16 Addendum.

17 **SELLER LIABILITY**

18 Should Seller fail to secure an unconditional written release of liability from Seller's lender for the
19 loan(s) being assumed, Seller will remain liable for the loan in the event of Buyer's default.

20 **Seller's Liability:** This sale ___ is ___ is not contingent upon Seller being released by lender from liability
21 for loan being assumed.

22 If Seller is not release from liability, Seller acknowledges that Seller may have liability to lender in the
23 event of a Buyer default.

24 **DUE ON SALE CLAUSE**

25 Should Seller fail to secure an unconditional written release of liability form Seller's lender for the
26 loan(s) being assumed, Seller will remain liable for the loan in the event of Buyer's default.

27 **Type of Loan:** ___ Conventional ___ VA ___ FHA ___ Other _____

28 **Current Interest Rate:** ___ Fixed ___ Adjustable _____% Current Payment Amount:

29 \$ _____ PITI ___ PI ___ Other _____

30 **Loan Balance:** \$ _____. The balance of any encumbrance being assume is approximate.
31 Any difference shall be reflected in the: _____ Cash Down Payment Other _____.

32 Date of Original Loan: _____ Loan Term: _____ (years)

33 **Impounds:** Buyer shall ___ reimburse Seller any impounds transferred to Buyer or _____.

34 **Loan Transfer and Assumption Fees:** To be paid by ___ Buyer ___ Seller ___ Other _____

35 All loan costs/transfer fees/assumption fees to assume existing loan shall be paid by: _____ Buyer _____
36 Seller _____ (split 50/50)

37 **Credit Evaluation:** This sale ___ is ___ is not contingent upon Seller's approval of Buyer's credit. If
38 contingent, Buyer shall provide a Seller a current credit report from a credit reporting agency and a
39 completed loan application on a Uniform Residential Loan Application within three (3) days after
40 contract acceptance of this Contract. Reasonable disapproval of Buyer's credit requires written notice
41 from Seller to Escrow Company within three (3) days after receipt by Seller of current credit report and
42 completed loan application. Approval will not be unreasonably withheld.

43 **Lender Requirements:** Buyer and Seller agree to cooperate fully with the lender and supply the
44 necessary documentation to complete the assumption.

45 **Mortgage Insurance:** The loan assumed may include mortgage insurance, which Buyer also assumes
46 and agrees to pay, exclusive of mortgage life insurance.

47 **ADDITIONAL TERMS AND CONDITIONS:**

48 _____
49 _____

50 The undersigned agree to these additional terms and conditions and acknowledge receipt of a copy
51 hereof.

52 _____ (Buyer/Buyer's Signature Mo/Da/Yr)
53 _____ (Buyer/Buyer's Signature Mo/Da/Yr)
54 _____
55 _____ (Seller/Seller's Signature Mo/Da/Yr)
56 _____ (Seller/Seller's Signature Mo/Da/Yr)
57 _____