

ALLIANCE

ADDENDUM TO CONTRACT FOR PURCHASE AND SALE OF REAL ESTATE
(Mortgage Assumption)

1 This addendum modifies the terms of the Contract for Purchase and Sale of Real Estate dated
2 _____, by and between _____,
3 Buyer(s), and _____, Seller(s), covering the
4 property commonly known as _____, legally
5 described as _____.

6 A. The Property is encumbered by a mortgage ("Mortgage"). Buyer will assume all the obligations of the
7 mortgage note ("Note") and will purchase the Property subject to the lien of the Mortgage. Before
8 closing, Seller will punctually make all payments due and perform all obligations under the Note and the
9 Mortgage.

10 B. If Buyer's assumption requires the approval of the holder of the Note, and the holder does not
11 approve, or if the holder of the Note requires an increase in interest rate or a decrease in the term of the
12 Note, then Buyer may terminate this Contract, and the earnest money will be refunded to Buyer. Buyer
13 shall apply for approval of the holder of the Note within seven (7) business days after the Contract is
14 signed by all parties and shall use every reasonable effort to obtain such approval. This Contract is
15 subject to and contingent upon the Buyer obtaining such approval in writing on or before _____
16 _____.

17 C. Upon closing, the holder of the Note:

18 will release Seller from all obligations, and furnish a release of liability from mortgagee
19 and insurers of the loan, if any;

20 will not release Seller from all obligations, and Seller acknowledges that Seller will remain
21 liable under the Note until it is paid in full, that Seller will no longer have any right, title
22 or interest to the Property, and that in the event of a default under the Note, Seller may
23 be liable for some or all of the balance then owed under the Note together with other
24 charges.

25 D. If the holder of the Note will not release Seller from all further obligations, then the following terms
26 and conditions shall apply:

27 1) Buyer will furnish Seller a current credit report, job verification(s), financial statement, and
28 verification of funds within seven (7) business days of acceptance, and such further
29 documentation as Seller reasonably requests in order to determine, in Seller's sole discretion,
30 whether Seller approves Buyer's financial condition. Seller shall have seven (7) business days
31 after receipt of all such documentation in which to notify Buyer that Seller does not approve
32 Buyer's financial condition, in which event, Seller may terminate this Contract, and the earnest
33 money will be refunded to Buyer.

34 2) After closing, Buyer will punctually make all payments and perform all obligations under the Note
35 and the Mortgage and will indemnify and hold Seller harmless from such payments and
36 obligations.

37 E. If the loan to be assumed is a VA loan, Seller acknowledges that Seller's eligibility for another VA loan
38 could be affected.

39 F. The following information pertains to the Mortgage:

40 Type loan _____
41 Lender _____
42 Present interest rate _____ %
43 Approximate present payment \$ _____ per month, including _____
44 Assumption rate _____ %
45 Assumption fees shall be paid by _____

46 G. Interest on the Note shall be prorated at closing.

47 H. Any reserve or escrow account held by the holder of the Note:

48 shall be purchased by Buyer from Seller at closing, or

49 shall be transferred to Buyer at closing at no cost.

50 _____
51 Buyer Date Seller Date

52 _____
53 Buyer Date Seller Date

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