

ADDENDUM to Purchase Agreement between:

Buyer: _____ Seller: _____

Buyer: _____ Seller: _____

For Property commonly known as: _____.

The following provisions are included in and supersede any conflicting language in the Purchase Agreement. These provisions shall be deemed effective as of the date of execution.

1. **FHA/VA – AMENDATORY CLAUSE REGARDING APPRAISED VALUE:** It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA 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 purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

2. **SELLER'S OPTIONAL CONTRIBUTIONS:** Seller agrees to pay up to \$ _____ towards Purchaser's closing costs, prepaid expenses, fees, and/or discount points. The Parties understand and agree that the Federal Housing Administration, ("FHA"), prohibits Purchaser from paying certain costs, which then become an expense to the Seller. These costs, if charged by Purchaser's lender, shall be included in Seller's contribution.

3. **PEST INSPECTION:** [☐ Seller ☐ Purchaser] agrees to pay for required pest inspection. *[NOTE: If VA Mortgage, then Sellers must pay.]*

4. **RE-INSPECTION FEES:** [☐ Seller ☐ Purchaser] agrees to pay for any re-inspection fee(s), if any, as a result of any required repairs by FHA/VA appraisal. *[NOTE: If VA Mortgage, then Sellers must pay.]*

5. **FHA/VA REQUIRED REPAIRS:** ☐ Seller agrees to pay up to \$ _____ towards any required FHA/VA repairs. ☐ Purchaser agrees to pay up to \$ _____ towards any required FHA/VA repairs.

If both Purchaser and Seller mutually agree to pay a portion of the FHA/VA repairs, [☐ Seller ☐ Purchaser] shall be the first responsible party. In the event FHA/VA required repair costs exceeds the sum total of the above, the difference must be negotiated between Purchaser and Seller within _____ days. If no agreement can be mutually obtained, then at Purchaser's option, this transaction may be declared null and void with the deposit returned to the Purchaser upon the execution of a mutual release.

6. **REAL ESTATE CERTIFICATION:** The Seller(s), the Purchaser(s), and the Real Estate Agent(s) or Broker(s) hereby certify that the terms of the sales contract are true to the best of their knowledge and belief and it is agreed that any other agreement entered into by any of the parties is fully disclosed and attached to the sales contract.

7. **FULL FORCE AND EFFECT:** Except as modified herein, all of the terms and conditions of the Purchase Agreement shall remain in full force and effect. In the event of a conflict between the Purchase Agreement and this Amendment, the terms of this Amendment shall control.

NOTICE: All repairs and/or improvements must be completed in a workmanlike manner prior to the transaction closing. However, in the event certain repairs cannot be completed due to weather, or other unforeseen conditions, an escrow for repairs will be created in compliance with FHA requirements. Two (2) estimates for the work will be required and an escrow account at 1 ½ times the highest estimate will be established to assure completion of the work. (Minimum escrow required is Five Hundred and 00/100, (\$500.00), Dollars).

WARNING: Section 1010 of Title 18, U.S.C., “Federal Housing Administration Transaction,” provides: “Whoever, for the purpose of influencing in any way the action of such Administration, makes passes, utters or publishes any statement, knowing the same to be false, shall be fined not more than \$5,000.00 or imprisoned not more than two years, or both.” Other Federal Statutes provide severe penalties for any fraud as intentional misrepresentation made for the purpose of influencing the issuance of any guaranty of insurance or the making of any loan by the Administrator or Veteran Affairs.

I/we certify that I have read and understand the above paragraphs hereof and acknowledge by my signature below that I have received a copy of this document.

Purchaser Date

Seller Date

Purchaser Date

Seller Date

Selling Agent / Broker Date

Listing Agent / Broker Date

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