

VA / FHA LOAN ADDENDUM



1 Property Address: 610 Rockglen Trace, Smyrna, TN 37167 / Lot 116 Villages of Valley Green
2 Buyer: _____
3 Seller: As Recorded on Deed of Record

4 This VA/FHA LOAN ADDENDUM (hereinafter "Addendum"), between the undersigned Seller and Buyer is entered into
5 and is effective as of the Binding Agreement Date provided in the Purchase and Sale Agreement for the purpose of changing,
6 deleting, supplementing or adding terms to said Purchase and Sale Agreement. In consideration of the mutual covenants
7 herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties
8 agree as follows:

- 9 **1. APPRAISED VALUE.** It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer
10 shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of
11 earnest money deposits or otherwise unless the Buyer has been given, in accordance with HUD/FHA or VA
12 requirements, a written statement by the Federal Housing Commissioner or Veterans Administration, or a Direct
13 Endorsement Lender setting forth the appraised value of the Property of not less than \$ _____. The Buyer
14 shall, however, have the privilege and option of proceeding with consummation of the contract without regard to the
15 amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the
16 Department of Housing and Urban Development will insure (FHA), or that the Veteran's Administration (VA) will
17 guarantee.
- 18 **2. PROPERTY VALUE AND CONDITION.** HUD does not warrant the value nor the condition of the property. The
19 Buyer should satisfy himself/herself that the price and condition of the property are acceptable.
- 20 **3. HOME INSPECTION.** It is important for Buyer to have a home inspection performed on the property he wishes to
21 purchase in order to identify any possible defects. Names of home inspection companies can be found in the yellow
22 pages of the local telephone directory under the heading "Home Inspection Services." FHA Buyers see attached "FOR
23 YOUR PROTECTION, GET A HOME INSPECTION."
- 24 **4. FUNDING FEE.** If applicable, the VA Funding fee shall be paid as follows:
25 **A.** in full at closing by _____.
26 **B.** added to the loan amount and financed. (If checked, then the term "loan amount" as used herein shall mean the
27 amount set forth in the Purchase and Sale Agreement plus the VA funding fee so financed; the monthly payments
28 will increase accordingly.)
- 29 **5. NEW CONSTRUCTION HOME WARRANTY.** If the improvements on the Property are less than one year old at the
30 time of closing, Seller shall, if required by VA/FHA, provide a home warranty certificate acceptable to VA/FHA.
- 31 **6. PUBLIC WATER OR PUBLIC SEWER SYSTEMS.** As required by VA/FHA, both the Buyer and Seller agree that
32 if public water or a public sewer system is available at the street, the Property must be connected. If available and
33 property is not connected, select one:
34 **A.** Seller agrees to pay the cost of said connection not to exceed \$ _____.
35 **B.** Buyer to pay \$ _____ and Seller to pay \$ _____ for the cost of connection.
- 36 **CERTIFICATION.** At the time of Closing Seller shall provide certification, from the proper authority,
37 that the Property is connected to and serviced by the public system.
- 38 **7. WOOD INFESTATION.** Seller shall comply with VA/FHA requirements with respect to the Wood Infestation section
39 of the Purchase and Sale Agreement.



40 **8. NON-ALLOWABLE SETTLEMENT CHARGES OR CLOSING COSTS.** In the event of settlement charges or
41 closing costs at time of closing which are deemed to be non-allowable and not chargeable to the Buyer pursuant to the
42 governmental guidelines, Seller agrees to pay at closing (evidenced by delivery of warranty deed and payment of
43 purchase price) such non-allowable settlement charges or closing costs on behalf of Buyer at a sum not to exceed
44 \$ stated in contract. Such sum shall be a part of the amount if any, which Seller has agreed to pay on behalf of Buyer
45 in the Purchase and Sale Agreement or prior Addenda.

46 This Addendum is made a part of the Purchase and Sale Agreement as if quoted therein verbatim. Should the terms of this
47 Addendum conflict with the terms of the Purchase and Sale Agreement or other documents executed prior to or simultaneous
48 to the execution of this Addendum, the terms of this Addendum shall control, and the conflicting terms are hereby considered
49 deleted and expressly waived by both Seller and Buyer. In all other respects, the Purchase and Sale Agreement shall remain
50 in full force and effect.

51 **PURCHASE AND SALE AGREEMENT CERTIFICATION.** "We hereby certify that the terms of the (this) Sales
52 Contract are true and to the best of our knowledge and belief, that there are no side agreements not disclosed within or by an
53 attached addendum between the BUYER, the SELLER, or REAL ESTATE BROKER." The parties agree that the Real
54 Estate Broker's signature(s) on this document is for certification purposes only as required and does not make either said
55 Real Estate Broker a party to the Purchase and Sale Agreement.

56 The party(ies) below have signed and acknowledge receipt of a copy.
57 _____
58 **BUYER** **BUYER**
59 _____ at _____ o'clock am/ pm _____ at _____ o'clock am/ pm
60 **Date** **Date**

61 The party(ies) below have signed and acknowledge receipt of a copy.
62 _____
63 **SELLER** **SELLER**
64 _____ at _____ o'clock am/ pm _____ at _____ o'clock am/ pm
65 **Date** **Date**

66 The party(ies) below have signed and acknowledge receipt of a copy.
67 _____
68 **REAL ESTATE BROKER FOR BUYER** **FIRM**
69 _____ at _____ o'clock am/ pm
70 **Date**

71
72
73 The party(ies) below have signed and acknowledge receipt of a copy.
74 _____
75 **REAL ESTATE BROKER FOR SELLER** **FIRM**
76 _____ at _____ o'clock am/ pm
77 **Date**

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CAUTION

U.S. Department of Housing
and Urban Development
Federal Housing Administration (FHA)



OMB Approval No. 2502-0038
(exp. 07/31/2009)

For Your Protection: Get a Home Inspection

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- ✓ Evaluate the physical condition: structure, construction, and mechanical systems;
- ✓ Identify items that need to be repaired or replaced; and
- ✓ Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- ✓ Estimate the market value of a house;
- ✓ Make sure that the house meets FHA minimum property standards/requirements; and
- ✓ Make sure that the property is marketable.

FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.



HUD-92564-CN (6/10)



CAUTION

