ADDENDUM

SELLER FINANCING ADDENDUM

Addendum to Real Estate Purchase Agreement

1. ORIGINAL AGREEMENT. This Seller Financing Addendum ("Addendum") is attached to and made part of the Real Estate Purchase and Sale Agreement dated ______________________, 20____ (the "Agreement"), between ____ ("Seller") and ____ ("Buyer"), for the real property located at ____, City: ______________________, County: ______________________, State of ______________, ZIP: ______________ (the "Property"). If this Addendum conflicts with the Agreement, this Addendum controls. Capitalized terms not defined here have the meanings given in the Agreement.

2. SELLER FINANCING TERMS. Seller agrees to finance a portion of the purchase price on the following terms (the "Seller Financing"):

Total purchase price: $______________
Down payment, paid by Buyer at Closing: $______________
Amount financed by Seller (principal of the Note): $______________
Annual interest rate: ______________% fixed
Amortization period: ______________ ☐ years ☐ months
Monthly payment of principal and interest: $______________
First payment due: ______________________, 20_____, and continuing on the same day of each month thereafter
Maturity date (all remaining amounts due): ______________________, 20_____
Balloon payment due at maturity? ☐ Yes, estimated balloon amount $______________ ☐ No (fully amortizing)
Matured unpaid amounts bear interest at ______________% per annum or the highest lawful rate, whichever is less

BALLOON DISCLOSURE (if balloon applies): THIS LOAN IS NOT FULLY AMORTIZING. A BALLOON PAYMENT OF THE ENTIRE REMAINING PRINCIPAL BALANCE, PLUS ACCRUED INTEREST, WILL BE DUE AND PAYABLE IN FULL ON THE MATURITY DATE. SELLER IS UNDER NO OBLIGATION TO REFINANCE OR EXTEND THE LOAN AT THAT TIME, AND BUYER MAY BE REQUIRED TO REFINANCE, SELL THE PROPERTY, OR PAY FROM OTHER FUNDS.

3. NOTE AND SECURITY INSTRUMENT. At Closing, Buyer will execute and deliver to Seller (a) a promissory note in the amount financed, on the terms in Section 2 (the "Note"), and (b) a security instrument encumbering the Property to secure the Note (the "Security Instrument"), in the form customary in the state where the Property is located (check one):

☐ Mortgage ☐ Deed of Trust (with trustee: ______________________)

The Security Instrument will be recorded against the Property at Closing in ☐ first lien position ☐ junior lien position (see Section 8). The Note and Security Instrument will require Buyer to keep the Property insured and property taxes current while any amount remains unpaid. Buyer will obtain, effective at Closing, casualty insurance on the Property naming Seller as mortgagee/loss payee, will maintain that coverage while any amount under the Note remains outstanding, and will provide Seller evidence of coverage upon request.

4. PREPAYMENT. (Check one)

□ Buyer may prepay the Note in whole or in part at any time **without penalty**, with prepayments applied to principal.
□ Other prepayment terms: ____

5. LATE FEE. If any payment is not received within ____________ days after its due date, Buyer will pay a late fee of □ $____________ □ ____________% of the overdue payment, not to exceed any maximum permitted by applicable law. Acceptance of a late payment and fee does not waive Seller's rights as to any other payment.

6. TAX AND INSURANCE ESCROW. (Check one)

□ With each monthly payment, Buyer will deposit with Seller (or the loan servicer) one-twelfth (1/12) of the annual real property taxes and insurance premiums for the Property, to be held and disbursed for those purposes; or
□ Buyer will pay property taxes and insurance premiums directly and will provide Seller proof of payment at least annually and upon Seller's written request.

7. DUE-ON-SALE. (Check one)

□ The Note and Security Instrument WILL include a due-on-sale provision: if Buyer sells, conveys, or transfers the Property or any interest in it without Seller's prior written consent, Seller may declare the entire unpaid balance immediately due and payable.
□ The Note and Security Instrument will NOT include a due-on-sale provision; the loan may remain in place upon a transfer of the Property.

8. WRAP-AROUND FINANCING ELECTION. □ If checked, this is wrap-around (all-inclusive) financing: an existing loan secured by the Property will remain in place in Seller's name after Closing, and the Note wraps that underlying loan. If not checked, Seller warrants that all existing liens will be paid and released at Closing and Section 8 and the acknowledgment box below do not apply.

WRAP-AROUND FINANCING ACKNOWLEDGMENT (COMPLETE ONLY IF SECTION 8 IS CHECKED)

Underlying loan. Lender/Servicer: ______________________________________; Loan number: ____________________; Approximate unpaid balance: $____________; Monthly payment (including any escrow): $____________. The underlying loan remains in Seller's name and on Seller's credit.

Due-on-sale risk. Both Parties acknowledge that the underlying loan documents likely contain a due-on-sale clause, and the transfer of title to Buyer may permit the underlying lender, at its option, to declare the underlying loan immediately due and payable. Neither Party can guarantee the underlying lender will not exercise this right, and each Party accepts this risk.

Payment flow. (Check one) □ Buyer's payments on the Note will be made to a third-party loan servicing company: ______________________________________, which will pay the underlying loan payment to the underlying lender first and remit the remainder to Seller, maintaining records available to both Parties; or □ Buyer will pay Seller directly, and Seller will remain responsible for timely paying the underlying loan and will provide Buyer proof of payment within ____________ days after each payment.

Seller payment failure. If Seller fails to pay the underlying loan while Buyer is current on the Note, Buyer may pay the underlying lender directly and credit those payments against the Note.

SELLER INITIALS: ______________ BUYER INITIALS: ______________

9. DEFAULT AND SELLER'S REMEDIES. If Buyer fails to make any payment under the Note within the cure period stated in the Note, or otherwise defaults under the Note or Security Instrument and fails to cure after any required notice, Seller may exercise all rights and remedies provided in the Note and the Security Instrument and available under the law of the state where the Property is located, including acceleration of the unpaid balance and foreclosure (judicial or nonjudicial, as applicable) of the Security Instrument. Any default by Buyer under any lien or security instrument superior to the lien securing the Note is also a default under the Security Instrument. Remedies are cumulative, and no delay by Seller waives any right.

10. CREDIT AND FINANCIAL INFORMATION. Within ______________ days after the Effective Date of this Addendum, Buyer will provide Seller, upon Seller's written request, with a completed credit application and reasonable supporting financial information (which may include a credit report authorization, proof of income or assets, and references). Seller may, within ______________ days after receiving the requested information, terminate the Agreement by written notice if Seller in good faith determines Buyer's creditworthiness is unacceptable, in which case any deposit will be handled as the Agreement provides for a failed contingency. Seller will keep all information provided confidential and use it only to evaluate this transaction.

11. LOAN DOCUMENTATION; RMLO. The Note and Security Instrument will be prepared by □ the closing agent/closing attorney □ an attorney selected by ______________________, with document preparation costs paid by □ Buyer □ Seller □ split equally. **RMLO election:** if the Property is or will be Buyer's intended personal residence, the Parties may engage a licensed residential mortgage loan originator (RMLO) to document and originate the Seller Financing in compliance with applicable federal and state requirements: □ RMLO will be engaged: ____ (name/company), fee paid by □ Buyer □ Seller; □ Not applicable (Property is not Buyer's intended residence).

12. MISCELLANEOUS. This Addendum, together with the Agreement, is the entire agreement of the Parties regarding its subject matter and supersedes all prior negotiations; it may be amended only in a writing signed by both Parties; it is governed by the laws of the State of ______________; it is binding on the Parties and their heirs, successors, and permitted assigns; it may be signed in counterparts, and electronic or scanned signatures are effective as originals; and if any provision is held unenforceable, the remaining provisions continue in effect. The terms of the Note and Security Instrument executed at Closing control over any summary of them in this Addendum, and the obligations in this Addendum intended to be performed at or after Closing survive Closing.

______________________________ SELLER signature Date	______________________________ BUYER signature Date
______________________________ SELLER printed name	______________________________ BUYER printed name / entity
______________________________ SELLER 2 signature (if applicable) Date	______________________________ SELLER 2 printed name (if applicable)