

LOAN ASSUMPTION ADDENDUM

Type of Existing Loan to be Assumed (Use a separate addendum for each loan to be assumed.)

FHA _____ VA _____ Private _____ Conventional _____
Fixed Rate at _____ % per annum
Adjustable Rate currently at _____ % per annum with adjustments occurring _____
Other _____

Approximate Principal Balance: \$ _____ as of _____

The loan payments are currently \$ _____ per _____

Final payment date of loan: _____ Loan Account No: _____

Loan currently held by: _____

Address: _____

Telephone No.: _____

Mortgage Loan Assumption Costs and Discount Points not to exceed \$ _____

This contract is contingent upon Buyer being able to assume the unpaid principal balance of the existing loan described above for the remainder of the loan term at the interest rate set forth above (subject to adjustment if the loan is indicated above as an adjustable rate loan) with mortgage loan assumption costs and discount points not to exceed the amount set forth above. If such assumption requires the lender's approval, Buyer agrees to use his best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. All payments due from Seller on the loan must be current at closing, and the principal balance assumed shall be computed as of the date of closing. The amount shown for the assumption balance and cash at closing shall be adjusted as appropriate at closing to reflect the purchase price provided in the contract to which this Addendum is attached; provided, however, the outstanding principal balance shall not be greater than \$ _____ or less than \$ _____ at closing. Accrued, but unpaid interest and other charges on the loan, if any, shall be computed to the date of closing and paid by Seller. Interest and other charges on the loan prepaid by Seller, if any, shall be credited to Seller at closing and paid by Buyer. Examples of other charges include FHA and private mortgage insurance premiums. Unless otherwise provided herein, the existing loan must be assumable without either acceleration of the amount secured or any change in the original terms of the note and deed of trust. Upon request, Seller shall provide Buyer with copies of the note(s) and deed(s) of trust to be assumed.

Subject to the limitation provided above and unless otherwise provided herein, Buyer shall be responsible for all loan assumption costs. Seller shall have no obligation to pay any loan assumption costs unless specifically provided herein. If Seller is to pay any loan assumption costs, these costs are as follows:

Unless otherwise provided herein, the escrow account(s), if any, shall be purchased by Buyer.

Unless otherwise provided herein, if the hazard and/or flood insurance policies are transferred to Buyer, Buyer shall pay Seller for any prepaid insurance based on a proration of the existing premium on a per diem basis.

_____ Assumption of loan with release of liability (applicable only if marked): This contract is contingent upon Seller being released from liability on the assumed loan, and if a VA loan, Buyer must assume Seller's potential indemnity liability to the U.S. Government for the repayment of the loan.

_____ Assumption of VA loan with substitution of entitlement (applicable only if marked): This contract is contingent upon Buyer substituting Buyer's VA entitlement for Seller's VA entitlement on the assumed loan.



Buyer Initials _____ Seller Initials _____

Other Provisions: _____

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE OFFER TO PURCHASE AND CONTRACT OR THE VACANT LOT OFFER TO PURCHASE AND CONTRACT, THIS ADDENDUM SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS® INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer: _____ (SEAL) Date _____

Buyer: _____ (SEAL) Date _____

Seller: _____ (SEAL) Date _____

Seller: _____ (SEAL) Date _____

