

Used ONLY with Buyers who are obtaining a VA or FHA Loan. Some portions pertain to both types of loans, while others only pertain to VA or FHA. You need to know the ins and outs of these loan types. SUGGESTION: Meet with local Lenders to learn their loan products.

#4: FUNDING FEE: ONLY used with VA Loans. Typical amounts could be a little over 2% the first time the benefit is used and a little over 3% the second and subsequent times the benefit is used. CHECK with your Buyer's Lender for specific amounts. No Funding Fee for 10% or more disabled Veterans.

#7: VA/FHA loans have Non-Allowables - Settlement charges a buyer is not allowed to pay for themselves, per the loan program. Check with the Buyer's Lender to find out the amount for their loan and place that number in the blank in #7 Section.

## VA / FHA LOAN ADDENDUM

GOES OVER WITH INITIAL OFFER,  
LISTED IN SECTION 19

1 Property Address: Physical Property Address-should match address on Purchase and Sale Agreement  
2 Buyer: Buyer's full legal name(s)-should match name(s) on Purchase and Sale Agreement  
3 Seller: Seller's full legal name(s)-should match name(s) on Purchase and Sale Agreement

4 This VA/FHA LOAN ADDENDUM (hereinafter "Addendum"), between the undersigned Seller and Buyer is entered into and  
5 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 herein  
7 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as  
8 follows:

9 1. **APPRAISED VALUE.** It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall  
10 not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest  
11 money/trust 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 \$ Offer Price. 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 shall insure (FHA), or that the Veteran's Administration (VA) shall  
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 Buyer wishes to  
21 purchase in order to identify any possible defects. See Form RF712, "IMPORTANCE OF INSPECTIONS AND  
22 PROPERTY SURVEY". Use this form with ALL Buyer's - even if they are not getting a VA/FHA loan.  
23 Risk Management for you.

24 4. **FUNDING FEE.** If applicable the VA Funding fee (if Buyer is not otherwise exempt), shall be paid as follows:  
25  A. in full at closing by EXAMPLE LANGUAGE: the Seller OR the Buyer.  
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  
shall increase accordingly.)

ONLY for  
VA  
Loans.

28 5. **NEW CONSTRUCTION HOME WARRANTY.** If the improvements on the Property are less than one year old at the  
29 time of closing, Seller shall, if required by VA/FHA, provide a home warranty certificate acceptable to VA/FHA.

30 6. **PUBLIC WATER OR PUBLIC SEWER SYSTEMS.** See Public Water or Public Sewer Systems section in Purchase  
31 and Sale Agreement. See Section 6 of the Purchase and Sale Agreement. VA/FHA require connection

32 7. **NON-ALLOWABLE SETTLEMENT CHARGES.** In the event of settlement charges at time of closing which are  
33 deemed to be non-allowable and not chargeable to the Buyer pursuant to the governmental guidelines or lender regulations,  
34 Seller agrees to pay at Closing (evidenced by delivery of warranty deed and payment of purchase price) such non-allowable  
35 settlement charges on behalf of Buyer at a sum not to exceed \$ Amount (shall be deemed to be zero if left  
36 blank). Such sum shall be a part of the amount if any, which Seller has agreed to pay on behalf of Buyer in the Purchase  
37 and Sale Agreement or prior Addenda. Word Expenses Removed from Section

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

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43 **PURCHASE AND SALE AGREEMENT CERTIFICATION.** “We hereby certify that the terms of the (this) Sales Contract  
44 are true and, to the best of our knowledge and belief, that **there are no side agreements** not disclosed within or by an attached  
45 addendum between the BUYER, the SELLER, or REAL ESTATE LICENSEE.” The parties agree that the Real Estate  
46 Licensee’s signature(s) on this document is for certification purposes only as required and does not make either said Real Estate  
47 Licensee a party to the Purchase and Sale Agreement.

**ALL PARTIES (even you) are signing saying that you no of any un-disclosed side agreements in this transaction.**

48 The party(ies) below have signed and acknowledge receipt of a copy.

49 \_\_\_\_\_

50 **BUYER** **BUYER**

51 \_\_\_\_\_ at \_\_\_\_\_ o'clock  am/  pm \_\_\_\_\_ at \_\_\_\_\_ o'clock  am/  pm

52 **Date** **Date**

53 The party(ies) below have signed and acknowledge receipt of a copy.

54 \_\_\_\_\_

55 **SELLER** **SELLER**

56 \_\_\_\_\_ at \_\_\_\_\_ o'clock  am/  pm \_\_\_\_\_ at \_\_\_\_\_ o'clock  am/  pm

57 **Date** **Date**

58 The party(ies) below have signed and acknowledge receipt of a copy.

59 \_\_\_\_\_

60 **REAL ESTATE LICENSEE FOR BUYER** **FIRM**

61 \_\_\_\_\_ at \_\_\_\_\_ o'clock  am/  pm

62 **Date**

63 The party(ies) below have signed and acknowledge receipt of a copy.

64 \_\_\_\_\_

65 **REAL ESTATE LICENSEE FOR SELLER** **FIRM**

66 \_\_\_\_\_ at \_\_\_\_\_ o'clock  am/  pm

67 **Date**

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