



**ASSUMPTION – SALE SUBJECT TO EXISTING FINANCING ADDENDUM**

This Addendum is attached to and made a part of a certain Contract to Purchase Real Estate between the undersigned parties dated \_\_\_\_\_ covering property commonly known as \_\_\_\_\_.

1. **COMPLETION OF SALE:** Sale to be completed upon the delivery of a Warranty Deed conveying a marketable title, subject to an existing mortgage held by \_\_\_\_\_.  
(name of mortgage holder)
2. **AMOUNT REQUIRED FROM PURCHASER:** Purchaser will pay in cash or certified check the difference between the sales price and the existing mortgage balance of approximately \$ \_\_\_\_\_  
(approx. principal balance)
3. **PRORATION OF INTEREST:** Interest on the existing mortgage, which is currently \_\_\_\_\_ percent to be pro-rated to the day of closing.  
(rate)
4. **CURRENT PAYMENTS:** Current monthly payments are \$ \_\_\_\_\_.  
(total monthly payment amount)
5. **MONTHLY ESCROW:** This monthly payment  does,  does not include an amount for taxes.  
This monthly payment  does,  does not include an amount for insurance.
6. **ASSIGNMENT OF ESCROW:** If Seller has any accumulated funds held in escrow for the payment of any prepaid items, the Purchaser agrees to reimburse the Seller upon proper assignment of same.
7. **DUE ON SALE CLAUSE: SELLER UNDERSTANDS THAT THE CONSUMMATION OF SALE OR TRANSFER OF THE PROPERTY DESCRIBED IN THIS AGREEMENT SHALL NOT RELIEVE THE SELLER OF ANY LIABILITY THAT SELLER MAY HAVE UNDER THE MORTGAGE(S) TO WHICH THE PROPERTY IS SUBJECT UNLESS OTHERWISE AGREED TO BY THE MORTGAGE HOLDER OR REQUIRED BY LAW OR LEGISLATION.**
8. **TYPE OF ASSUMPTION:** This agreement is either a SIMPLE ASSUMPTION or is SUBJECT TO THE REQUALIFICATION OF THE PURCHASER by the mortgage holder.

**The following choice is to be considered a part of this agreement (choose one)**

- A.  **SIMPLE ASSUMPTION:** The Purchaser agrees to assume and pay said mortgage and transfer free) according to the terms thereof.
- B.  **REQUALIFICATION REQUIRED:** The existing mortgage on the home requires an application with the mortgage holder by Purchaser to qualify for assumption. Purchaser will make application to mortgage holder within \_\_\_\_\_ calendar days from date of Seller’s acceptance of this agreement at Purchaser’s expense. If mortgage requires an adjusted interest rate in excess of \_\_\_\_\_%, Purchaser may declare this agreement to be null and void. Such election is to be made in writing within three (3) calendar days after actual notice from mortgage holder of such an interest increase. At closing the Purchaser shall assume and agree to pay the existing mortgage according to its terms.

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SIGNATURES: In the presence of:

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Purchaser)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Purchaser)

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\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Seller)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Seller)

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