



Land Contract Financing Addendum



This Addendum is attached to and made a part of a certain Purchase Agreement between the undersigned parties dated _____ covering property commonly known as _____

ALL PARTIES SHALL INITIAL ANY CLAUSE WHICH IS PART OF THIS PURCHASE AGREEMENT

Sale on Land Contract. Down payment of the sum of \$_____ and the execution of a Land Contract acknowledging payment of that sum and calling for the payment of the remainder of the purchase money within _____ years from the date of the Contract at a rate of ____ percent per annum.

If the Seller's title to said land is evidenced by an existing Land Contract with unperformed terms and conditions substantially as above set forth and the cash payment to be made by the undersigned on consummation hereof will pay out the equity, an assignment and conveyance of the vendee's interest in the land contract with an agreement by the undersigned to assume the balance owing thereon, will be accepted in lieu of the contract proposed in the preceding paragraph. If the Seller has any accumulated funds held in escrow for the payment of prepaid taxes or insurance the purchaser agrees to reimburse the Seller upon the proper assignment of same.

The undersigned parties further agree that any initialed clauses below are to be incorporated into and become a part of the land contract.

LAND CONTRACT PAYMENT (initial only one)

Purchaser	Seller
Initials	Initials

- 1. A. _____ Land Contract principal and interest monthly payment of \$_____
- B. _____ Interest only monthly payment of \$_____.

REAL ESTATE TAXES AND INSURANCE (initial only one)

- 2. A. _____ Purchaser agrees to insure said property with a hazard insurance policy, in an amount satisfactory to Seller and financial institution (if there is an underlying mortgage, or vendor). If there is an underlying land contract, the vendor, must be added as an additional insured to the extent of the interest during the term of this contract.
- B. _____ Purchaser agrees to pay an additional monthly amount of \$_____ which is an estimate of 1/12 of the annual costs of (taxes), (special assessments), (and Insurance), which shall be credited by the Seller to the unpaid principal balance of the land contract. Seller shall pay said (taxes), (special assessments), (and insurance) before any penalty attaches and add amounts so paid to the principal balance of the contract on their due date. This amount may be adjusted periodically to approximate the total for (taxes), (special assessments), (and insurance).
- C. _____ Seller agrees to pay all taxes and special assessments when due and will add same to the land contract balance on the due date. Proof of payment of taxes and special assessments will be provided to purchaser within 60 days from due date.

1ST PAYMENT DUE AND TAX PRORATION

- 3. _____ Purchaser first monthly payment is due 30 days from the date of closing. Taxes will be prorated as of the closing date. Interest will begin to run from the closing date. If Seller occupies the property after closing, Seller will pay use and occupancy in accordance with paragraph 7 of the Purchase Agreement. In addition, **if payments are to be due on the first of the month place an "X" here**_____. In this case, purchaser will pay interest at closing for the period from the closing date to the first of the following month and the first payment will be due 30 days later.

OTHERS

Purchaser
Initials

Seller
Initials

4. _____ If there is a present mortgage and/or land contract on this property, the parties agree that the holder of said mortgage and/or land contract shall be contacted by the Seller prior to closing and a written statement must be provided to determine if there are any provisions or requirements if the property is sold on a land contract and a copy shall be given to the Purchaser thereof upon receipt of such requirements, if any.
5. _____ At any time during the term of this land contract the Purchaser may assume the existing mortgage. Sellers agree not to reduce the principal balance of the mortgage other than by the normal required monthly payments.
6. _____ Purchaser is to deliver to Seller at Purchaser's expense a current credit report employment letter and/or financial statement within seven (7) business days of Seller's Acceptance. If such information is not timely delivered, or if such information is not satisfactory to Seller in Seller's sole discretion, Seller may terminate this agreement by providing written notice to Purchaser no later than two (2) days after such information is received by Seller.
7. _____ In the event payments are not received within _____ business days from due date, a late payment charge of \$_____ per payment shall be added to the payment, this is a late payment charge and no interest. Purchaser further agrees and understands that enforcement of the late payment charge does not constitute an election under the contract and that the Seller may pursue any other remedies available in law or equity.
8. _____ Seller agrees to execute a good and sufficient Warranty Deed at closing to be placed in Escrow with a Title Agency. Purchaser agrees to pay all costs of Escrow Agent.
9. _____ In addition to the required monthly payments, Purchaser shall pay to Seller \$_____ on or before _____ said amount to be applied against the principal balance of the land contract.
10. _____ Purchaser and Seller understand that the regular monthly payments called for by the terms of the land contract will not pay the land contract amount owing in full by the end of the term of the contract. There will be a lump sum payment due from Purchaser to Seller at that time.
11. Neither Salespersons, Brokers, nor Sellers have represented to Purchaser that at the time required for pay-off of this obligation there will be satisfactory mortgage financing available or that such financing will be at rates currently available or lower.
12. This agreement constitutes the entire agreement between the parties and no other oral or written agreements shall be considered to be a part hereof.
13. All parties agree and affirm that they have reviewed each initialed clause of this addendum, and they further understand the meaning of and importance of each initialed clause.

14. ADDITIONAL CONDITIONS: _____

WITNESS _____

PURCHASER _____

Date _____

PURCHASER _____

WITNESS _____

SELLER _____

DATE _____

SELLER _____

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