

FHA PURCHASE AGREEMENT ADDENDUM

This addendum dated _____ is an addendum to a purchase agreement dated _____
between _____
(PURCHASER(s)) and _____
(SELLER(s)) for the property located at: _____

You must read this entire document at the time you apply for the loan. Return one copy to lender as proof of notification and keep one copy for your records.

- 1) **AMENDATORY CLAUSE** - "It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement Lender, setting forth the appraised value of the property of not less than \$ _____. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. *The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.*"
- 2) **REAL ESTATE CERTIFICATION** - The sellers, the purchasers, and the real estate agents or brokers hereby certify that the terms of the sales contract are true to the best of their knowledge and belief and it is agreed that any other agreement entered into by any of the parties is fully disclosed and attached to the sales agreement.
- 3) **CONDITION OF THE PROPERTY**
The property you are buying is not HUD/FHA approved and HUD/FHA does not warrant the condition or the value of the property. An appraisal will be performed to estimate the value of the property, but this appraisal does not guarantee that the house is free of defects. You should inspect the property yourself very carefully or hire a professional home inspection service to inspect the property for defects. If you have a professional home inspection service perform an inspection of the property, you may include up to \$300 of the cost of the inspection in your mortgage.

WARNING

Section 1010 of Title 18, U.S.C., "Federal Housing Administration transaction," provides: "Whoever, for the purpose of - influencing in any way the action of such Administration - makes, passes, utters, or publishes any statement, knowing the same to be false - shall be fined not more than \$5, 000 or imprisoned not more than two years, or both." Other Federal Statutes provide severe penalties for any fraud as intentional misrepresentation made for the purpose of influencing the issuance for any guaranty or insurance for any guaranty or insurance or the making of any loan by the Administrator for Veterans Affairs.

Date:
PURCHASER

Date:
SELLER

Date:
PURCHASER

Date:
SELLER

Date:
SELLING REAL ESTATE BROKER

REAL ESTATE COMPANY NAME

Date:
LISTING REAL ESTATE BROKER

REAL ESTATE COMPANY NAME