

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

THIRD PARTY FINANCING CONDITION ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

Buyer shall apply promptly for all financing described below and make every reasonable effort to obtain approval for the financing (Financing Approval). Buyer shall furnish all information and documents required by lender for Financing Approval. Financing Approval will be deemed to have been obtained when (1) the terms of the loan(s) described below are available and (2) lender determines that Buyer has satisfied all of lender's financial requirements (those items relating to Buyer's assets, income and credit history). If Buyer cannot obtain Financing Approval, Buyer may give written notice to Seller within _____ days after the effective date of this contract and this contract will terminate and the earnest money will be refunded to Buyer. If Buyer does not give such notice within the time required, this contract will no longer be subject to Financing Approval. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

NOTE: Financing Approval does not include approval of lender's underwriting requirements for the Property, as specified in Paragraph 4.A.(1) of the contract.

Each note must be secured by vendor's and deed of trust liens.

CHECK APPLICABLE BOXES:

☐ A. CONVENTIONAL FINANCING:			
☐ (1) A first mortgage loan in the principal amount of \$ (excludi	ng		
any financed PMI premium), due in full in year(s), with interest not	to		
exceed% per annum for the firstyear(s) of the loan with Loan Fe			
(loan origination, discount, buy-down, and commitment fees) not to exce	ed		
% of the loan.			
(2) A second mortgage loan in the principal amount of \$(excluding the principal a			
any financed PMI premium), due in full inyear(s), with interest not			
exceed% per annum for the firstyear(s) of the loan with Lo			
Fees (loan origination, discount, buy-down, and commitment fees) not to exce	ed		
☐ B. TEXAS VETERANS LOAN: A loan(s) from the Texas Veterans Land Board of \$			
for a period in the total amount ofyears at the interest rate established by the Tex	as		
Veterans Land Board.			
☐ C. FHA INSURED FINANCING: A Section FHA insured loan of not less the			
\$ (excluding any financed MIP), amortizable monthly for not less th			
years, with interest not to exceed% per annum for the firstyear			
of the loan with Loan Fees (loan origination, discount, buy-down, and commitment fees) r			
to exceed % of the loan. As required by HUD-FHA, if FHA valuation is unknow			
"It is expressly agreed that, notwithstanding any other provision of this contract, is purchaser (Buyer) shall not be obligated to complete the purchase of the Property describe			
herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unle			
the purchaser (Buyer) has been given in accordance with HUD/FHA or VA requirements			
written statement issued by the Federal Housing Commissioner, Department of Veterans			
Affairs, or a Direct Endorsement Lender setting forth the appraised value of the Property			
of not less than \$ The purchaser (Buyer) shall have the privilege a			
option of proceeding with consummation of the contract without regard to the amount of the	he		

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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 or the condition of the Property. The purchaser (Buyer) should satisfy himself/herself that the price and the condition of the Property are acceptable."

NOTE: HUD 92564-CN "For Your Protection: Get a Home Inspection" must be attached to this Addendum.

□ D. VA GUARANTEED FINANCING: A VA guaranteed loan of not less than \$______(excluding any financed Funding Fee), amortizable monthly for not less than_______years, with interest not to exceed_______% per annum for the first _______year(s) of the loan with Loan Fees (loan origination, discount, buy-down, and commitment fees) not to exceed ______% of the loan.

VA NOTICE TO BUYER: "It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the Property described herein, if the contract purchase price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs. The Buyer shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs."

If Buyer elects to complete the purchase at an amount in excess of the reasonable value established by VA, Buyer shall pay such excess amount in cash from a source which Buyer agrees to disclose to the VA and which Buyer represents will not be from borrowed funds except as approved by VA. If VA reasonable value of the Property is less than the Sales Price, Seller may reduce the Sales Price to an amount equal to the VA reasonable value and the sale will be closed at the lower Sales Price with proportionate adjustments to the down payment and the loan amount.

Buyer hereby authorizes any lender to furnish to the Seller or Buyer or their representatives information relating only to the status of Financing Approval of Buyer.

Buyer	Seller	
Buver	Seller	

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (http://www.trec.state.tx.us) TREC No. 40-3. This form replaces TREC No. 40-2.

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