

**FHA/VA ADDENDUM**  
**Regarding Appraisal Value, Closing Costs, etc.**

To be a part of the Agreement of Sale dated \_\_\_\_\_  
for the property located at: \_\_\_\_\_

**1. FHA/VA: Amendatory Clause Regarding Appraised Value**

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 the 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. (This clause is mandated by FHA regulations and is not optional).

**2. FHA: Sellers Contribution to Closing Costs and Discount Points**

Seller agrees to pay not more than \$ \_\_\_\_\_ toward the payment of closing costs, prepaid expenses, discount points, transfer fee, termite inspection and reinspection fees on behalf of the Purchaser. Purchaser agrees to pay all other costs of closing the transaction, including, but not limited to closing costs, prepaid expenses, discount points, termite inspection and reinspection fees etc. not paid by Seller.

It is understood between Purchaser and Seller that the additional personal property listed herein has no value.

**3. VA: Sellers Contribution to Closing Costs and Discount Points**

This offer contingent upon the Seller agreeing to pay not more than \$ \_\_\_\_\_ toward the payment of origination fees and other Purchaser's closing costs. Further the Veterans Administration prohibits the Veteran from paying certain costs which become an expense to the Seller. These costs are the closing fee, underwriting fee, transfer fee, document preparation, termite inspection and reinspection fees. These costs are not considered to be Purchaser closing costs. Lenders may charge the Sellers these costs at the closing. If so, the amount indicated above includes these costs charged to the Seller. If the Seller is paying a limited amount of costs, the Purchaser agrees to pay all other costs of closing including but not limited to closing costs, prepaid expenses, discount points, etc., not paid for by Seller.

It is understood between Purchaser and Seller that the additional personal property listed herein has no value. Seller agrees to pay required mortgage discount points at the time of closing, not to exceed \_\_\_\_\_ points.

**4. FHA/VA: Completion and Payment for Repairs**

Seller shall complete and pay not more than \$ \_\_\_\_\_ for repairs and/or improvements required by the FHA or VA in order to complete this transaction. If said repair costs exceed Seller's contribution Purchaser may contribute the excess. In the event Purchaser declines to pay for such excess then Sellers, at their option, may declare this transaction null and void with the deposit returned to the Purchaser upon the execution of a mutual release.

*NOTICE: All repairs and/or improvements must be completed in a workmanlike manner prior to the transaction closing. However, in the event certain repairs cannot be completed due to weather, or other unforeseen conditions, an escrow for repairs will be created in compliance with FHA or VA requirements. Two estimates for the work will be required and an escrow account at 1 1/2 times the highest estimate will be established to assure completion of the work.*

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Purchaser