

# OWNER FINANCING ADDENDUM

Seller \_\_\_\_\_  
Buyer \_\_\_\_\_  
Property \_\_\_\_\_

BUYER and SELLER entered into that contract for the purchase and sale of real estate as identified above. Buyer and Seller further agree that SELLER shall provide a loan to BUYER for the purchase of the property on the terms set forth below:

Loan Amount	
Interest Rate	

The loan shall be repaid

\_\_\_\_\_ Monthly over a period of \_\_\_\_\_ months

Monthly payments shall be:

\_\_\_\_\_ Interest Only

\_\_\_\_\_ Amortized over \_\_\_\_\_ Months\*

\_\_\_\_\_ A set payment in the amount of \$ \_\_\_\_\_

\_\_\_\_\_ A single payment due by \_\_\_\_\_.

*\*Amortized means that the payments are structured so that the balance decreases each month with the final balance being paid within the time frame set forth above.*

This loan \_\_\_\_\_ shall \_\_\_\_\_ shall not include an escrow for \_\_\_\_\_ taxes and/or \_\_\_\_\_ insurance. The initial escrow payments shall be equal to \$ \_\_\_\_\_ per month and shall be adjusted on an annual basis to account for the actual amounts due for taxes and insurance.

There is \_\_\_\_\_ no penalty or \_\_\_\_\_ a penalty equal to \_\_\_\_\_ for paying the loan off early.

There is a late charge equal to \_\_\_\_\_ for any payment that is more than \_\_\_\_\_ days late.

If any monthly or other installment payment is unpaid for more than \_\_\_\_\_ days, SELLER may declare the entire loan amount due and payable and subsequently foreclose upon the property pursuant to the terms of the mortgage or deed of trust signed by the BUYER at closing.

SELLER and BUYER agree that this loan from SELLER to BUYER \_\_\_\_ is \_\_\_\_ is not the only loan on the property. In the event there are additional loans on the property, SELLER's loan shall be subordinate to the existing or purchase money loan on the property.

SELLER and BUYER agree that regardless of the priority of this loan, the loan is a purchase money loan used for BUYER'S purchase of the property.

BUYER agrees to keep insurance on the property in an amount no less than the then outstanding balance on the loan to SELLER. In the event that BUYER fails to keep adequate insurance or provide proof of the same upon reasonable request of SELLER, SELLER may purchase insurance and assess the cost for the same to BUYER as additional principle on the loan.

SELLER AND BUYER agree that the loan set forth herein shall be memorialized on a deed of trust or mortgage and promissory note using the FNMA/FHLMC uniform instruments and that the title agent may not make any changes to the standard forms other than to input the terms set forth herein.

All terms contained in the contract not specifically amended herein, shall remain in full force and shall be unaffected by this addendum. This addendum may be signed electronically or in counterparts and a scanned copy of this addendum shall have the same force and effect as the original.

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Seller Signature

Printed Name:

Date:

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Seller Signature

Printed Name:

Date:

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Buyer Signature

Printed Name:

Date:

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Buyer Signature

Printed Name:

Date: