

LOAN ASSUMPTION ADDENDUM



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- 1. Seller: _____
- 2. Buyer: _____
- 3. Premises Address: _____
- 4. Date: _____

- 5. The following additional terms and conditions are hereby included as part of the Contract between Seller and Buyer for the above
- 6. referenced Premises.
- 7. Buyer agrees to assume the existing first position loan and pay all payments subsequent to Close of Escrow on or before due date. If an
- 8. additional loan(s) is being assumed, see additional terms and conditions on Line 47 of this Addendum.
- 9. **Assumption:** This sale is is not contingent upon the Buyer qualifying for assumption of the existing first position loan no
- 10. later than three (3) days prior to Close of Escrow.
- 11. This assumption is contingent upon the Buyer's approval of the terms and conditions of the loan being assumed within _____ days
- 12. of Contract acceptance or receipt of terms and conditions of the loan being assumed, whichever is later. Buyer and Seller agree to
- 13. cooperate fully with the lender and supply the necessary documentation to complete the assumption.
- 14. **Mortgage Insurance:** The loan assumed may include mortgage insurance, which Buyer also assumes and agrees to pay, exclusive
- 15. of credit life insurance.

SELLER LIABILITY

- 16. _____
- 17. Should Seller fail to secure an unconditional written release of liability from Seller's lender for the loan(s) being assumed, Seller will
- 18. remain liable for the loan in the event of Buyer's default.
- 19. **Seller's Liability:** This sale is is not contingent upon Seller's receipt of notice from lender indicating lender's intent to
- 20. release Seller at Close of Escrow from loan being assumed.
- 21. If Seller is not released from liability, Seller acknowledges that Seller may have liability to lender in the event of Buyer's default.

DUE ON SALE CLAUSE

- 22. _____
- 23. If the loan(s) being assumed contains a "due on sale" clause or other provision which allows the lender to demand payment in full in
- 24. the event of a conveyance of the Premises, Seller's lender could call the loan(s) immediately due and payable and initiate foreclosure
- 25. proceedings even if the payments are current unless an unconditional written waiver of the "due on sale" clause is secured.

- 26. **Type of Loan:** Conventional VA FHA Other _____
- 27. **Current Interest Rate:** Fixed Adjustable _____%
- 28. Current Payment Amount: \$ _____ PITI PI Other _____
- 29. **Loan Balance:** \$ _____. The balance of any encumbrance being assumed is approximate.
- 30. Any difference shall be reflected in the: Cash Down Payment Other _____
- 31. **Date of Original Loan:** _____ Loan Term: _____ (years).

>>

SELLER SELLER

<Initials

Initials>

BUYER BUYER

Loan Assumption Addendum >>

- 32. **Impounds:** Any impound account(s) shall be brought current by Seller and prorated at Close of Escrow.
- 33. **All loan costs/transfer fees/assumption fees to assume existing loan shall be paid by:** Buyer Seller Split 50/50
- 34. **Credit Evaluation:** This sale is is not contingent upon Seller's approval of Buyer's credit. If contingent, Buyer shall
- 35. provide to Seller a current credit report from a credit reporting agency and a completed Uniform Residential Loan Application
- 36. within three (3) days after acceptance of this Contract. Reasonable disapproval of Buyer's credit requires written notice from
- 37. Seller to Escrow Company within three (3) days after receipt by Seller of current credit report and completed Uniform Residential
- 38. Loan Application.
- 39. **Acknowledgement:** Buyer and Seller recognize, acknowledge and agree that Broker(s) are not qualified, nor licensed, to advise the
- 40. parties as to the risks associated with their contemplated loan assumption. Buyer and Seller are instructed to consult with qualified
- 41. licensed professionals, including but not limited to a licensed Arizona attorney, to ensure that they fully understand the risks
- 42. associated with the Loan Assumption Addendum. Because the risks associated with assumption of a loan are beyond the scope of
- 43. the Broker's expertise and licensing, Buyer and Seller expressly release and hold harmless Broker(s) from any and all liability
- 44. associated with the terms of the parties' Loan Assumption Addendum.

45. **BUYER'S INITIALS REQUIRED** _____ **SAMPLE**
BUYER BUYER

46. **SELLER'S INITIALS REQUIRED** _____ **SAMPLE**
SELLER SELLER

47. **ADDITIONAL TERMS AND CONDITIONS**

48. _____ **SAMPLE**

49. _____

50. _____ **SAMPLE**

51. _____

52. _____ **SAMPLE**

53. _____

54. _____ **SAMPLE**

55. _____

56. _____ **SAMPLE**

57. _____

58. _____ **SAMPLE**

59. _____

60. _____ **SAMPLE**

61. _____

62. _____ **SAMPLE**

63. The undersigned agree to these additional terms and conditions and acknowledge receipt of a copy hereof.

64. _____ **SAMPLE** _____ **SAMPLE**
^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR

65. _____ **SAMPLE** _____ **SAMPLE**
^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

For Broker Use Only:			
Brokerage File/Log No. _____	Manager's Initials _____	Broker's Initials _____	Date _____
			<small>MO/DA/YR</small>