

## LOAN ASSUMPTION ADDENDUM

Property: \_\_\_\_\_

Seller: \_\_\_\_\_

Buyer: \_\_\_\_\_

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Seller and Buyer for the Property.

Type of existing loan to be assumed (Use a separate addendum for each loan to be assumed:

\_\_\_\_\_ FHA \_\_\_\_\_ VA \_\_\_\_\_ Private \_\_\_\_\_ Conventional  
\_\_\_\_\_ Fixed Rate at \_\_\_\_\_ % per annum  
\_\_\_\_\_ Adjustable Rate currently at \_\_\_\_\_ % per annum with adjustments occurring \_\_\_\_\_  
\_\_\_\_\_ Other \_\_\_\_\_

Approximate unpaid principal balance: \$ \_\_\_\_\_ as of \_\_\_\_\_

The loan payments are currently: \$ \_\_\_\_\_ per \_\_\_\_\_ Includes: ☐ Taxes ☐ Insurance ☐ MIP ☐ PMI

Final payment date of loan: \_\_\_\_\_ Loan Account No.: \_\_\_\_\_

Loan currently held by: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Buyer intends to assume the unpaid principal balance of the existing loan described above for the remainder of the loan term at the interest rate set forth above (subject to adjustment if the loan is indicated above as an adjustable rate loan) with Buyer paying all mortgage loan assumption costs and discount points. Buyer is advised to determine prior to the expiration of the Due Diligence Period:

- the amount of the principal balance,
- the cash due at Settlement,
- whether the existing loan is assumable without either acceleration of the amount secured or any change in the original terms of the note and deed of trust, and
- that Buyer qualifies to assume the loan. All payments due from Seller on the loan must be current at Settlement, and the principal balance assumed shall be computed as of the date of Settlement. Seller shall not prepay principal prior to Closing. The amount shown for the assumption balance and cash at Settlement shall be adjusted as appropriate at Settlement to reflect the Purchase Price. Accrued, but unpaid interest and other charges on the loan, if any, shall be computed to the date of Settlement and paid by Seller. Interest and other charges on the loan prepaid by Seller, if any, shall be credited to Seller at Closing and paid by Buyer. Examples of other charges include FHA and private mortgage insurance premiums. Upon request, Seller shall provide Buyer with copies of the note(s) and deed(s) of trust to be assumed.

Buyer shall be responsible for all loan assumption costs. Seller shall have no obligation to pay any loan assumption costs unless specifically provided herein. If Seller is to pay any loan assumption costs, these costs are as follows:

Unless otherwise provided herein, the escrow account(s) and lender's stock or capital account required in connection with the loan, if any, shall be purchased by Buyer.

Unless otherwise provided herein, if the hazard and/or flood insurance policies are transferred to Buyer, Buyer shall pay Seller for any prepaid insurance based on a proration of the existing premium on a per diem basis.



Seller's obligations under this Contract are contingent upon Seller being released from liability on the assumed loan. Buyer is advised to determine prior to the expiration of the Due Diligence Period whether the release and/or assumption can be effected.

If a VA loan is being assumed, Buyer must assume Seller's potential indemnity liability to the U.S. Government for the repayment of the loan. Seller's obligations under this Contract ☐ are ☐ are not contingent upon Buyer's substituting Buyer's VA entitlement for Seller's VA entitlement on the assumed loan. Buyer is advised to determine prior to the expiration of the Due Diligence Period whether the substitution of entitlement can be effected.

Other Provisions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL, EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

NC REALTORS® AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

|              |               |
|--------------|---------------|
| Date: _____  | Date: _____   |
| Buyer: _____ | Seller: _____ |
| Date: _____  | Date: _____   |
| Buyer: _____ | Seller: _____ |
| _____        | _____         |

|                                                                         |                                                                          |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Entity Buyer: _____<br>(Name of LLC/Corporation/Partnership/Trust/etc.) | Entity Seller: _____<br>(Name of LLC/Corporation/Partnership/Trust/etc.) |
| By: _____                                                               | By: _____                                                                |
| Name: _____<br>Print Name                                               | Name: _____<br>Print Name                                                |
| Title: _____                                                            | Title: _____                                                             |
| Date: _____                                                             | Date: _____                                                              |