

CONVENTIONAL FINANCING ADDENDUM

(For use in Montgomery County, Maryland and Washington, DC)

The Contract of Sale with an Offer Date of _____ between _____
 _____ (Buyer) and _____
 _____ (Seller) for the purchase of the real property located at
 Address _____ Unit # _____
 City _____ State _____ Zip Code _____, is hereby amended
 by the incorporation of this Addendum, which shall supersede any provisions to the contrary in the Contract.

A. SPECIFIED FINANCING: The following loan(s) shall be the "Specified Financing":

FIRST DEED OF TRUST: Buyer will ☐ obtain **OR** ☐ assume a First Deed of Trust loan from the lender that issued the pre-approval letter, or from the lender to whom Buyer made or will make written application within 7 days of Date of Ratification as required by this Contract ("Lender"), in the amount of _____ % of Sales Price amortized over _____ years at a ☐ Fixed **OR** an ☐ Adjustable rate bearing (initial) interest of _____ % per year or market rate available.

SECOND DEED OF TRUST: Buyer will ☐ obtain **OR** ☐ assume a Second Deed of Trust loan from the Lender, in the amount of _____ % of Sales Price amortized over _____ years at a ☐ Fixed **OR** an ☐ Adjustable rate bearing (initial) interest of _____ % per year or market rate available.

B. FINANCING CONTINGENCY: This Contract is contingent ("*Financing Contingency*") on Buyer's ability to obtain Specified Financing.

C. ALTERNATE FINANCING: Buyer, at Buyer's election, may also apply for alternative financing which includes but may not be limited to any change in loan terms or change in Lender from Specified Financing ("Alternate Financing"). **This Financing Contingency shall not apply to any Alternate Financing.**

D. SELLER'S OPTION TO VOID CONTRACT: Buyer shall Deliver by 6:00 p.m. _____ Days after Date of Ratification ("*Financing Deadline*") a **conditional commitment for financing** from Lender ("*Conditional Commitment*"). The Conditional Commitment shall include any outstanding conditions after initial underwriter review, such as final underwriting review/audit, final title review and other underwriting requirements, if any. The Conditional Commitment shall **not** contain any conditions for the verification of income, assets, employment, and/or obtaining a credit report, but may contain conditions for the re-verification of same.

Following the Financing Deadline, but until Buyer Delivers the Conditional Commitment to Seller, the Financing Contingency will continue and **Seller may Deliver Notice to Buyer declaring this Contract Void.**

Upon Delivery of the Conditional Commitment, the Financing Contingency will continue, and Seller may no longer Deliver Notice declaring the Contract Void under the Financing Contingency until the Settlement Date has passed.

If Settlement does not occur on or before the Settlement Date, and the Financing Contingency has not been removed, and the Buyer is not in Default, Settlement may occur any time thereafter. However, once the Settlement Date has passed and until Settlement has been completed, Seller may deliver Notice declaring this Contract Void, except in the case of Default by Seller.

E. REMOVAL OF CONTINGENCY: At any time prior to Seller Delivering Notice declaring the Contract Void, Buyer may remove this contingency: 1) By delivering to Seller evidence of Buyer's ability to complete settlement without obtaining the Specified Financing; **OR** 2) delivering notice to Seller, Buyer has made application for alternate financing or has made application with lender more than 7 days after Date of Ratification. **If Buyer removes the Financing Contingency but fails to complete Settlement by the Settlement Date for any reason not permitted by this Contract or as a result of any Default by Seller, then the provisions of the DEFAULT paragraph shall apply.**

- F. FINANCING REJECTION:** Buyer may Deliver Notice declaring the Contract Void if Buyer receives a written rejection for the Specified Financing from Lender and Delivers a copy of the written rejection to Seller.
- G. APPRAISAL:** In the event the Specified Financing is declined based upon the Appraisal, Buyer will not be in Default. This provision will apply even if the Contract contains a separate Appraisal Contingency, and that Appraisal Contingency expired or has been removed.
- H. BUYER DEFAULT PROVISIONS:** Buyer will be in Default if Settlement does not occur on the Settlement Date as a result of any of the following actions by Buyer:
- 1) Failure to lock-in the interest rate(s) and the rate(s) increase so that Buyer does not qualify for such financing; **OR**
 - 2) Failure to comply with Lender's reasonable requirements in a timely and diligent manner; **OR**
 - 3) Application is made with an alternative lender other than the Lender as defined herein and that alternative lender fails to meet the Settlement Date; **OR**
 - 4) Does not have the down payment, closing fees and any other required funds; **OR**
 - 5) Makes any deliberate misrepresentations, material omissions or inaccuracies in financial information that results in the Buyer's inability to secure the financing; **OR**
 - 6) Failure to make application to Lender for the Specified Financing, or application for property insurance, within 7 days of Date of Ratification; **OR**
 - 7) Does or fails to do any act following the Date of Ratification that prevents Buyer from completing Settlement.
- I. SALE/SETTLEMENT/LEASE OF OTHER PROPERTY:** Unless specified in a written contingency, neither this Contract nor the financing is dependent or contingent on the sale and settlement or lease of other real property.
- J. LENDER-REQUIRED REPAIRS:** If, as a condition of providing financing under this Contract, Lender requires repairs to be made to the Property that have not otherwise been agreed to be Seller's responsibility, then the following procedure will be followed:

Buyer will Deliver Notice to Seller of Lender's required repairs and a request that Seller complete the repairs prior to settlement. Within 5 Days after Delivery of Buyer's Notice, Seller will Deliver Notice to Buyer as to whether or not Seller will make the repairs. Failure of Seller to Deliver Notice to Buyer within said timeframe shall be deemed an election by Seller to **NOT** make the repairs. If Seller Delivers Notice to Buyer electing to not make the repairs (*or is deemed to have elected to not make the repairs*), within 5 days Buyer shall Deliver Notice to Seller as to whether or not Buyer will make the repairs. If neither Seller nor Buyer has Delivered Notice within said timeframe agreeing to make the repairs, then this Contract will become void.

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| Seller | Date | Buyer | Date |
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