



LOAN ASSUMPTION ADDENDUM
TO CONTRACT CONCERNING THE PROPERTY AT

(Street Address and City)

A. CREDIT DOCUMENTATION. Within _____ days after the effective date of this contract, Buyer shall deliver to Seller credit report verification of employment, including salary verification of funds on deposit in financial institutions current financial statement to establish Buyer's creditworthiness and _____.

Buyer hereby authorizes any credit reporting agency to furnish to Seller at Buyer's sole expense copies of Buyer's credit reports.

B. CREDIT APPROVAL. If Buyer's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Buyer's credit is unacceptable, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery and the earnest money will be refunded to Buyer. If Seller does not terminate this contract, Seller will be deemed to have accepted Buyer's credit.

C. ASSUMPTION.

(1) The unpaid principal balance of a first lien promissory note payable to _____ which unpaid balance at closing will be \$ _____. The total current monthly payment including principal, interest and any reserve deposits is \$ _____. Buyer's initial payment will be the first payment due after closing.

(2) The unpaid principal balance of a second lien promissory note payable to _____ which unpaid balance at closing will be \$ _____. The total current monthly payment including principal, interest and any reserve deposits is \$ _____. Buyer's initial payment will be the first payment due after closing.

Buyer's assumption of an existing note includes all obligations imposed by the deed of trust securing the note. If the unpaid principal balance(s) of any assumed loan(s) as of the Closing Date varies from the loan balance(s) stated above, the cash payable at closing Sales Price will be adjusted by the amount of any variance; provided, if the total principal balance of all assumed loans varies in an amount greater than \$350.00 at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless the other party elects to eliminate the excess in the variance by an appropriate adjustment at closing. Buyer may terminate this contract and the earnest money will be refunded to Buyer if the noteholder requires (a) payment of an assumption fee in excess of \$ _____ in (1) above or \$ _____ in (2) above and Seller declines to pay such excess, (b) an increase in the interest rate to more than _____% in (1) above, or _____% in (2) above, (c) any other modification of the loan documents, or (d) consent to the assumption of the loan and fails to consent. A vendor's lien and deed of trust to secure assumption will be required which will automatically be released on execution and delivery of a release by noteholder. If Seller is released from liability on any assumed note, the vendor's lien and deed of trust to secure assumption will not be required. If noteholder maintains an escrow account, the escrow account must be transferred to Buyer without any deficiency. Buyer shall reimburse Seller for the amount in the transferred accounts.

NOTICE TO BUYER: The monthly payments, interest rates or other terms of some loans may be adjusted by the noteholder at or after closing. If you are concerned about the possibility of future adjustments, do not sign the contract without examining the notes and deeds of trust.

NOTICE TO SELLER: Your liability to pay the note assumed by Buyer will continue unless you obtain a release of liability from the noteholder. If you are concerned about future liability, you should use the TREC Release of Liability Addendum.

Buyer

Seller

Buyer

Seller

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (<http://www.trec.state.tx.us>) TREC No. 41-0.