



# ASSUMPTION OF EXISTING MORTGAGE ADDENDUM



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This Addendum is made by the undersigned BUYER and SELLER and is incorporated into and made a part of the Purchase and Sale Agreement between BUYER and SELLER (the "Agreement"). This Addendum is referenced in paragraph 2(D) of the Agreement and pertains to the following Property:

\_\_\_\_\_

As part of the Purchase Price, BUYER shall assume the existing mortgage encumbering the Property with an approximate principal balance of \$ \_\_\_\_\_. The name of the mortgage holder or servicer (mortgagee) is \_\_\_\_\_, and the loan number is \_\_\_\_\_.

The Purchase Price shall be  exactly the amount indicated in Paragraph 1(F) **or**  approximately the Purchase Price indicated in Paragraph 1(F) with the exact Purchase Price to be determined by adding the amounts shown in Paragraphs 1(A) through 1(E) to the exact principal balance.

The mortgage to be assumed has  an adjustable interest rate **or**  a fixed interest rate of \_\_\_\_\_% per annum. SELLER hereby authorizes the closing attorney/settlement agent to obtain a statement from mortgagee reflecting the principal mortgage balance, periodic payment amount, interest rate and status of mortgage.

If the mortgage to be assumed requires approval of the BUYER by the mortgagee, then SELLER will within 15 days from date hereof obtain mortgagee's required application forms and provide them to BUYER. BUYER will complete and return the forms and any required fee to mortgagee. If BUYER is not approved to assume the mortgage within \_\_\_\_ days (45 days if left blank) from date of the Agreement, BUYER or SELLER may terminate the Agreement by giving written notice to the other party.

At closing interest on the assumed mortgage will be prorated through the day before closing, and BUYER agrees to reimburse SELLER at closing for the amount of funds in SELLER's escrow account. If the escrow account has a deficiency, SELLER shall pay the necessary funds at closing to cure the deficiency.

SELLER understands that SELLER may remain liable under the assumed note and mortgage unless SELLER receives an unconditional written release of liability from the mortgagee.

**If the mortgage to be assumed is a VA guaranteed mortgage, BUYER  shall be required  shall not be required to substitute BUYER's VA Certificate of Eligibility for SELLER's eligibility upon closing.**

_____ BUYER	_____ DATE	_____ SELLER	_____ DATE
_____ BUYER	_____ DATE	_____ SELLER	_____ DATE
_____ BUYER	_____ DATE	_____ SELLER	_____ DATE
_____ BUYER	_____ DATE	_____ SELLER	_____ DATE