



REVERSE MORTGAGE FINANCING ADDENDUM

If using this form, do not check any box in Paragraph 4 of the contract

CONCERNING THE PROPERTY AT _____
(Street Address and City)

A. The portion of Sales Price not payable in cash under Paragraph 3B will be paid as follows and the contract is subject to Buyer being approved for the financing described below.

A reverse mortgage loan in the original principal amount of \$ _____ (excluding any financed mortgage insurance premium or other costs), with:

- an interest rate not to exceed _____% per annum for a fixed-rate reverse mortgage; or
an initial interest rate not to exceed _____% per annum for a variable-rate mortgage.

B. The Adjusted Origination Charges as shown on Buyer's Good Faith Estimate for the loan shall not exceed _____% of the loan. The reverse mortgage loan will or will not be an FHA insured loan.

C. Financing Approval: Approval for the financing described above will be deemed to have been obtained when Approval of Buyer and Property Approval are obtained.

(1) Approval of Buyer: Approval of Buyer will be deemed to have been obtained when (i) the terms of the loan described above are available; and (ii) lender determines that Buyer has satisfied all of lender's requirements. If Approval of Buyer is not obtained, Buyer may give written notice to Seller within _____ days after the effective date of this contract and this contract will terminate and the earnest money will be refunded to Buyer. If Buyer does not terminate the contract under this provision, the contract shall no longer be subject to Approval of Buyer. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

(2) Property Approval: Property Approval will be deemed to have been obtained when the Property has satisfied lender's underwriting requirements for the loan, including but not limited to appraisal, insurability, and lender required repairs. If the Property Approval is not obtained by the Closing Date, Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.

D. If the loan involves FHA financing: "It is expressly agreed that, notwithstanding any other provision of this contract, the purchaser (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser (Buyer) has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than \$ _____. The purchaser (Buyer) shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the Property. The purchaser (Buyer) should satisfy himself/herself that the price and the condition of the Property are acceptable."

Buyer _____ Date _____ Seller _____ Date _____

Buyer _____ Date _____ Seller _____ Date _____

This form has been approved by the Texas Real Estate Commission for voluntary use by its licensees. Copies of TREC rules governing real estate brokers, salesperson and real estate inspectors are available at nominal cost from TREC. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (http://www.trec.texas.gov)