



ADDENDUM CONCERNING RIGHT TO TERMINATE DUE TO LENDER'S APPRAISAL



Use only if the Third Party Financing Addendum is attached to the contract and the transaction does not involve ~~[Not for use in transactions involving]~~ FHA insured or VA guaranteed financing

CONCERNING THE PROPERTY AT: _____
(Street Address and City)

The financing described in the Third Party Financing Addendum attached to the contract for the sale of the above-referenced Property does not involve FHA or VA financing. *(Check one box only)*

- (1) **WAIVER.** Buyer waives Buyer's right to ~~[may not]~~ terminate the contract under Paragraph 2B [B(2)] of the Third Party Financing Addendum if Property Approval is not obtained because the opinion of value in the [lender's] appraisal does not satisfy lender's underwriting requirements. ~~[for the financing described in the addendum.]~~

If the [Buyer's] lender reduces the amount of the loan due to the opinion of value, the cash portion of Sales Price is ~~[automatically]~~ increased by the amount the loan is reduced due to the appraisal.

- (2) **PARTIAL WAIVER.** Buyer waives Buyer's right to ~~[may not]~~ terminate the contract under Paragraph 2B [B(2)] [Paragraph B(2)] of the Third Party Financing Addendum if:
 - (i) Property Approval is not obtained because the opinion of value in the [lender's] appraisal does not satisfy lender's underwriting requirements ~~[for the financing described in the addendum];~~ and

(ii) the opinion of value is \$ _____ or more.

If the [Buyer's] lender reduces the amount of the loan due to the opinion of value, the cash portion of Sales Price is ~~[automatically]~~ increased by the amount the loan is reduced due to the appraisal.

- (3) **ADDITIONAL RIGHT TO TERMINATE.** In addition to Buyer's right to terminate under Paragraph 2B [B(2)] of the Third Party Financing Addendum, Buyer may terminate the contract within _____ days after the Effective Date if:

(i) the appraised [opinion of] value, according to the [in the lender's] appraisal obtained by Buyer's lender [Buyer], is less than \$ _____; and

(ii) Buyer delivers a copy of the appraisal to the Seller.

If Buyer terminates under this paragraph, the earnest money will be refunded to Buyer.

Buyer

Seller

Buyer

Seller



The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (www.trec.texas.gov) TREC No. 49-1[49-0].