

**SELLER FINANCING ADDENDUM # _____
TO
REAL ESTATE PURCHASE CONTRACT**

Seller financing is a complex transaction governed by many State and Federal laws. Real estate brokers are not qualified, nor licensed, to ensure that the terms of this Seller Financing Addendum comply with these laws. Buyer and Seller are strongly advised to carefully consult with a legal professional.

THIS SELLER FINANCING ADDENDUM is made a part of that REAL ESTATE PURCHASE CONTRACT (the "REPC") with an Offer Reference Date of _____, between _____ as Buyer, _____ and _____ as Seller, regarding the Property located at _____ . The terms of this ADDENDUM are hereby incorporated as part of the REPC.

1. CREDIT DOCUMENTS. Seller's extension of credit to Buyer shall be evidenced by: **Note and Deed of Trust;** **Note and All-Inclusive Deed of Trust;** or **Other:** _____ (hereinafter "**Credit Documents**") and shall be recorded against the Property at Closing.

1.1 Creation of Documents. The following party (the "Creating Party") shall pay for and be responsible for the creation of the Credit Documents: **(Check one box)**

Seller; or

Buyer.

The Credit Documents referenced in Section 1 of this Addendum shall contain a due-on-sale clause in favor of Seller.

1.2 Deadline for the Delivery of the Credit Documents. The Creating Party shall provide the Credit Documents to the other party (the "Non-Creating Party") no later than by the Seller Disclosure Deadline referenced in Section 24(a) of the REPC.

1.3 Right to Cancel or Resolve Objections. If the Non-Creating Party determines, in the Non-Creating Party's sole discretion, that the Credit Documents are unacceptable, the Non-Creating Party may either: (i) no later than the Due Diligence Deadline referenced in Section 24(b) of the REPC, cancel the REPC by providing written notice to the Creating Party, whereupon the Earnest Money Deposit shall be released to Buyer without the requirement of further written authorization from Seller; or (ii) no later than the Due Diligence Deadline referenced in Section 24(b) of the REPC, resolve in writing with the Creating Party any objections the Non-Creating Party has arising from the Credit Documents.

1.4 Failure to Cancel or Resolve Objections. If the Non-Creating Party fails to cancel the REPC or fails to resolve in writing with the Creating Party any objections the Non-Creating Party has arising from the Credit Documents, as provided in Section 1.3 of this Addendum, the Non-Creating Party shall waive any right to cancel the REPC based on the Credit Documents.

2. CREDIT TERMS. The terms of the Credit Documents referred to in Section 1 above are as follows:

- Principal. \$ _____ principal amount of the note (the "Note");
- Interest. Interest at _____ % per annum;
- Payment. Payable at approximately \$ _____ per month or other _____.
- Remaining principal amount balance due in _____ years.
- First payment due on _____. Additional principal payments, balloon payments or other terms as follows: _____

2.1 LATE PAYMENT/PREPAYMENT. Any payment not made within _____ days after it is due is subject to a late charge of \$ _____ or _____ % of the installment due, whichever is greater. Amounts in default shall bear interest at a rate of _____ % per annum. All or part of the principal balance on the Note may be paid prior to maturity without penalty. Seller agrees to provide to Buyer at **Settlement:** (a) an amortization schedule based on the above terms; (b) a written disclosure of the total interest Buyer will pay to maturity of the Note; and (c) the annual percentage rate on the Note based on loan closing costs.

3. TAXES AND ASSESSMENTS. Buyer shall also be responsible for: (a) property taxes; (b) homeowners' association dues; (c) special assessments; and (d) hazard insurance premiums on the Property. These specific obligations will be paid: directly to Seller/Escrow Agent on a monthly basis directly to the applicable county treasurer, association, and insurance company as required by those entities.

4. PAYMENT. Buyer's payments under Section 2 above will be made to: Seller an Escrow Agent. If an Escrow Agent, _____ will act as Escrow Agent and will be responsible for disbursing payments on any underlying mortgage or deed of trust (the underlying mortgage) and to the Seller. Cost of setting up and maintaining the escrow account shall be paid by: Buyer Seller split evenly between the parties. If the Credit Documents are for a Note and All-Inclusive Trust Deed, then Seller shall provide Buyer with evidence, within ten (10) days upon written request by Buyer, that the Seller is making current payments as required by Seller's underlying mortgage.

5. DUE-ON-SALE. As part of the Seller Disclosures referenced in Section 7 of the REPC, Seller shall provide to Buyer a copy of the Seller's underlying mortgage, the note secured thereby, and the amortization schedule, if applicable. Buyer's obligation to purchase under this REPC is conditioned upon Buyer's approval of the content of those documents, in accordance with Section 8 of the REPC, if applicable. If the Seller's underlying mortgage becomes due as a result of this transaction, Buyer agrees to pay the remaining balance owed and due on Seller's underlying mortgage ("Due-on-sale Payment"). In such event, the Due-on-sale Payment shall act as a payment towards the principal owed on the Note, as referenced in Paragraph 2 above. Buyer and Seller agree that Buyer shall still be obligated to the terms of the Credit Documents if any balance of the Note remains after the Due-on-sale Payment. The terms of Section 5 of this Addendum shall survive Closing.

6. BUYER DISCLOSURES. Buyer has provided to Seller, as a required part of this ADDENDUM, the attached Buyer Financial Information Sheet. Buyer may use the Buyer Financial Information Sheet approved by the Real Estate Commission and the Attorney General's Office or may provide comparable written information in a different format, together with such additional information as Seller may reasonably require. Buyer SHALL SHALL NOT provide Seller with copies of IRS tax returns for the two preceding tax years. Buyer acknowledges that Seller may contact Buyer's current employer for verification of employment as represented by Buyer in the Buyer Financial Information Sheet.

7. SELLER'S REVIEW AND APPROVAL. By the Seller Disclosure Deadline referenced in Section 24(a) of the REPC, Buyer shall provide to Seller, at Buyer's expense, a current credit report on Buyer from a consumer credit reporting agency. Seller may use the credit report, the information referenced in Section 6 of this Addendum, and any other information relevant to Seller ("Buyer Disclosures") to review and evaluate the terms of this Seller Finance Addendum ("Seller's Review").

7.1 Seller's Right to Cancel. If Seller determines, in Seller's sole discretion, that the results of the Seller's Review are unacceptable, Seller may either: (a) no later than the Due Diligence Deadline referenced in Section 24(b) of the REPC, cancel the REPC by providing written notice to Buyer, whereupon the Earnest Money Deposit shall be released to Buyer without the requirement of further written authorization from Seller; or (b) no later than the Due Diligence Deadline referenced in Section 24(b), resolve in writing with Buyer any objections Seller has arising from Seller's Review.

7.2 Failure to Cancel or Resolve Objections. If Seller fails to cancel the REPC or resolve in writing any objections Seller has arising from Seller's Review, as provided in Section 7.1 of this ADDENDUM, Seller shall be deemed to have waived the Seller's Review.

8. TITLE INSURANCE. Buyer SHALL SHALL NOT provide to Seller a lender's policy of title insurance in the amount of the indebtedness to the Seller, and shall pay for such policy at Settlement.

9. DISCLOSURE OF TAX IDENTIFICATION NUMBERS. By no later than Settlement, Buyer and Seller shall disclose to each other their respective Social Security Numbers or other applicable tax identification numbers so that they may comply with federal laws on reporting mortgage interest in filings with the Internal Revenue Service.

CONTACT INFORMATION FOR BUYER

Phone Number: _____ Email Address: _____

Phone Number: _____ Email Address: _____

CONTACT INFORMATION FOR SELLER

Phone Number: _____ Email Address: _____

Phone Number: _____ Email Address: _____

10. ADDITIONAL TERMS _____

To the extent the terms of this ADDENDUM modify or conflict with any provisions of the REPC, including all prior addenda and counteroffers, these terms shall control. All other terms of the REPC, including all prior addenda and counteroffers, not modified by this ADDENDUM shall remain the same. Seller Buyer shall have until _____ AM PM Mountain Time on _____ (Date), to accept the terms of this SELLER FINANCING ADDENDUM in accordance with Section 23 of the REPC. Unless so accepted, the offer as set forth in this SELLER FINANCING ADDENDUM shall lapse.

 Buyer Seller Signature (Date) (Time)

 Buyer Seller Signature (Date) (Time)

ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE:

- ACCEPTANCE:** Seller Buyer hereby accepts these terms.
- COUNTEROFFER:** Seller Buyer presents as a counteroffer the terms set forth on the attached ADDENDUM NO. _____.
- REJECTION:** Seller Buyer rejects the foregoing SELLER FINANCING ADDENDUM.

(Signature) (Date) (Time)

(Signature) (Date) (Time)

THIS FORM APPROVED BY THE UTAH REAL ESTATE COMMISSION AND THE OFFICE OF THE UTAH ATTORNEY GENERAL, EFFECTIVE OCTOBER 20, 2021. AS OF JANUARY 1, 2022, IT WILL REPLACE AND SUPERSEDE THE PREVIOUSLY APPROVED VERSION OF THIS FORM.