

OKLAHOMA REAL ESTATE COMMISSION
Financing Supplemental Agreement to the Contract of Sale of Real Estate
VA GUARANTEED LOAN

This financing agreements attached to a certain Contract of Sale of Real Estate (the "Contract") relating to the following described real estate, which street address is:

Buyer acknowledges that all explanations, representations and disclosures relating to the terms and conditions of the loan(s) below are the responsibility of the Lender and not the Seller or Listing and Selling Brokers and their affiliated licensees. This financing agreement is made an integral part of the Contract. All provisions of the Contract shall remain in full force and effect.

1. **LOAN:** The Contract is contingent upon Buyer qualifying for a **VA Guaranteed Loan** in the amount of \$_____ plus **VA Funding Fee**, if applicable. If the Buyer is unable to secure financing, the Earnest Money shall be refunded to Buyer subject to appropriate written authorization from all parties to the Contract.

Within five (5) days from Time Reference Date, Buyer shall either:

- A. make application for the described loan, or any other such loan Buyer deems acceptable, and proceed diligently to obtain such loan, **or**
- B. give notice to the Seller that the loan terms are unacceptable, cancel the Contract by delivering written notice of cancellation to Seller and receive refund of Earnest Money.
- C. **Buyer Instructions to Lender:** Buyer shall instruct lender to issue a written statement of loan approval (not final loan commitment) to Seller within _____ days (**10 days if left blank**) of the Time Reference Date regarding the following:
 - 1) Review and Approval of Buyer's credit worthiness, income plus funds necessary to Close.
 - 2) Confirmation that Buyer has paid initial processing fees to include credit report and appraisal fees.
 - 3) Credit report has been ordered.
 - 4) Loan approval is not subject to sale or closing of Buyer's current property unless stated elsewhere in this Contract.

If within the time specified above, a written statement of loan approval is not delivered to Seller, Seller may provide Buyer written notice of intent to cancel and terminate the Contract. Upon Seller delivering notice to Buyer of Seller's intent to cancel, the Contract shall become null and void upon the fourth day following delivery of notice. However, if Buyer delivers to Seller written statement of loan approval before the end of the fourth day, the Contract shall remain in full force and effect.

2. **VA AMENDATORY CLAUSE:** It is expressly agreed that, notwithstanding any other provisions of the Contract and this Agreement, the Buyer shall not incur any penalty by forfeiture of Earnest Money or otherwise be obligated to complete the purchase of the Property described herein if the contract purchase price or cost exceeds the reasonable value of the Property established by the VA. Buyer shall, however, have the privilege and option of proceeding with the consummation of the Contract without regard to the amount of reasonable value established by the VA.

3. **FEES AT TIME OF LOAN APPLICATION AND CONFIRMATION:** In the event the loan terms are acceptable, Buyer shall pay initial loan fees including property appraisal and credit report fees at the time of application. Buyer shall also instruct lender to immediately begin the loan approval process but may defer ordering property appraisal until Buyer completes Buyer's inspection process per Paragraph 7 of the Contract. If requested by Seller, Buyer shall provide Seller, or Seller's Broker, written confirmation(s) from Buyer's Lender that the credit report and property appraisal have been ordered.

4. **VA LOAN COSTS AT CLOSING:**

- A. **Buyer Costs:** In addition to any other costs required by the Contract, except to the extent provided in Paragraph 4 B below, Buyer shall pay at the time of Closing:
 - 1) Prepaid first year's hazard insurance premium and, if required, flood insurance premium
 - 2) Prepaid tax and insurance escrow deposits as required by Lender
 - 3) Prepaid interest beginning the day of Closing through the end of the month
 - 4) Buyer's "**VA allowable Closing costs**", including if applicable, origination fee
- B. **Regarding the Specific Loan Costs Referenced above, Seller** agrees to pay at time of Closing, on behalf of the Buyer, an amount not to exceed \$_____.
- C. In the event that Seller agrees to pay the Buyer's prepaid expenses and/or escrows, and Seller's current year's portion of the real estate ad valorem taxes are included in the total prepaid expenses on the settlement statement, then such taxes shall not also be paid by Seller as prorated in provision 11 of the Contract.

5. **COSTS VA PROHIBITS BUYER PAYING:** In addition to any other costs required by the Contract, or this supplemental, Seller shall pay at time of closing, an amount up to \$_____ as follows:

- A. Those costs which the Buyer is prohibited from paying on a VA loan, including but not limited to the following: tax service fee, processing fee, underwriting fee, document preparation, amortization schedule, photograph fees, title company closing fee and wood infestation report.
- B. Certificate of Reasonable Value (Appraisal) requirements which VA may prohibit Buyer from paying.
- C. If the total estimated cost to the Seller of such VA costs exceeds the amount stated in this Paragraph, Buyer and Seller shall have _____ days (5 days if blank) to agree on an arrangement, acceptable to VA, regarding those costs in excess of the stated amount. If a written agreement is not reached within the time specified in this provision, this Contract is null and void and Earnest Money returned to Buyer.

6. **LOAN DISCOUNT POINTS:** Discount points not to exceed _____% of the total loan amount, shall be paid _____% by Seller and _____% by Buyer.

7. **ADDITIONAL PROVISIONS:** _____

Buyer's Initials _____ Seller's Initials _____