OKLAHOMA REAL ESTATE COMMISSION

This is a legally binding Contract; if not understood, seek advice from an attorney.

ASSUMPTION OF LOAN

This financing supplement is attached to and part of the Oklahoma Uniform Contract of Sale of Real Estate and relates to the following described real estate:

_____

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 associated licensees. This financing supplement is made an integral part of the Contract. All provisions of the Contract shall remain in full force and effect.

The Loan to be assumed is a: (check one)

Fixed Rate Mortgage ☐ VA ☐ FHA ☐ Other_____

Adjustable Rate Mortgage ☐ VA ☐ FHA ☐ Other_____

1. **LOAN.** This Contract is contingent upon the Buyer qualifying for (if required by Lender), and receiving consent to assume Seller's first mortgage loan ("Mortgage"), with an approximate balance of $_____ in favor of_____ _____which bears interest at the rate of no more than _____% at the time of acceptance of this Contract. The Mortgage payments, including escrow deposits, must be current and the Mortgage in good standing at the time of the Closing. If the Mortgage balance to be assumed as shown on the assumption statement from the Lender deviates more than 1.5% from balance shown above, then either Party may cancel and terminate this Contract, or proceed to close as provided in paragraph 3 below. If the Buyer is unable to assume Mortgage and provides written notice to Seller, or Seller's Broker, if applicable, within the time period provided in the Closing, Funding and Possession paragraph of the Contract, the earnest money shall be refunded to Buyer subject to appropriate written authorization from all Parties to the Contract.

2. **APPLICATION AND APPROVAL.**

   A. Within _____days (5 days if left blank) from the Time Reference Date, Buyer shall make application and proceed diligently to assume the existing Mortgage and pay any initial fees required by Lender, VA, or FHA, including credit report fees, at the earliest time permitted by federal regulation.

   B. If within _____ days (30 days if left blank) from the Time Reference Date, or such longer period as Seller shall grant in writing, a 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 providing 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 a statement of loan approval before the end of the fourth day, the Contract shall remain in full force and effect. All notices provided for in this paragraph may be delivered to the Parties through their Broker, if applicable.

3. **TYPE OF ASSUMPTION AND ADJUSTMENT:**
   (Check one)

   ☐ **FIXED EQUITY WITH ADJUSTED PURCHASE PRICE:** Buyer shall pay exactly $_____ for the equity and the purchase price shall be the loan balance at the time of Closing plus the exact equity as stated above.

   OR

   ☐ **FIXED SALES PRICE WITH ADJUSTED EQUITY:** The equity shall be adjusted at the time of Closing to reflect an exact sales price of $ _____.

4. ESCROW ACCOUNT, INTEREST AND PAYMENTS.

A. The escrow account shall be purchased by Buyer at the time of Closing. Any escrow account shortage shall be paid by Seller.

B. Buyer will be required to show proof of Hazard Insurance acceptable to the Lender at Closing.

C. Unless otherwise provided, interest on the Mortgage described in this Contract, and Mortgage Insurance if applicable, shall be prorated between Seller and Buyer. Seller shall pay these assessments through the day of Closing.

5. EXISTING VA FIRST MORTGAGE LOAN LIABILITY AND ENTITLEMENT:

A. VA approved Release of Liability is required prior to Closing.

B. VA approved Substitution of Entitlement ☐ **is** ☐ **is not required** by this Contract prior to Closing.

6. BUYER'S EXPENSES: In addition to any other charges or expenses required by the Contract to be paid by buyer, Buyer shall pay at the time of Closing (unless otherwise provided in Paragraph 7 hereof): (a) the first year's hazard insurance premium and flood insurance premium if required by Lender, (b) Buyer's recording fee(s), (c) transfer fee(s) not to exceed $ _____, and (d) other loan fee(s) required by Lender, VA or FHA.

7. SPECIAL PROVISIONS:

_____

_____

_____

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_____

Buyer's Signature	Date	Seller's Signature	Date
Buyer's Signature	Date	Seller's Signature	Date

(In the event of a counteroffer on an OREC counteroffer form, Seller(s) does not sign)