

SELLER FINANCING TERMS ADDENDUM

Below are terms that Seller, XXX, LLC has agreed to offer to a qualified Buyer to purchase the subject property. Any exceptions to the below must be approved by Seller in writing. This sheet must be provided to the Buyer as part of their purchase contract.

Property Address: xxxx

Purchase Price: \$ _____

Total Down Payment: \$ _____ (Includes the amount of due diligence paid)

Loan Amount: \$ _____

Annual Loan Interest Rate: _____

Payment Frequency: 1st of each calendar month

Loan Term: _____ years

Pre-Payment Penalties: ___ Yes No

Based on the terms above, here is an estimate of monthly payment:

1. Monthly Principal & Interest: \$ _____
2. Monthly Taxes: \$xxx (Estimated)
3. Monthly Insurance: \$xxx (Estimated. Actual amount to be determined by Buyer when under contract)
4. Mortgage Servicing Fee: \$35

TOTAL (1+2+3+4): \$ _____

Buyer will need to prepay **3 months** of taxes (approximately \$xxx, to be determined at closing) and 3 months of insurance (approximately \$xxx) at time of closing. These funds will be held in escrow by the loan servicing company.

Can I afford the home? In general, you *should* be able to afford this home if:

1. The payment is 28% or less of your gross monthly income.
2. Your total payments of all debts including the new mortgage is 36% or less of your gross monthly income.

Example: You have a gross monthly income of \$5,000. The mortgage payment is \$1,125/month, including taxes & insurance. You have other monthly debt expenses of \$475/month.

3. Is the mortgage payment 28% or less of gross monthly income?

Yes! \$1,125 per month divided by \$5,000 income per month equals 22.5%. LESS than 28%!

4. Are my total payments, all debts, 36% or less of gross monthly income?

Yes! \$1125/mo mortgage + \$475/month other debts = \$1,600/month total. \$1600 month divided by \$5000/mo income = 32%. LESS than 36%!

Your verifiable income must meet these requirements in order to qualify for your seller-finance opportunity.

You can educate yourself further on homeownership & mortgages by visiting this website & taking free the Home-Buying Education Course: <https://www.readynest.com/homebuyer-resources/the-test>

Date: _____

Buyer Signature: _____

Buyer Name (Printed):

Date: _____

Buyer Signature: _____

Buyer Name (Printed):

Date: _____

Seller Signature: _____

Seller Name (Printed): XXX