FINANCING ADDENDUM FOR CONTRACT FOR DEED

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(Use only with "Minnesota Standard Residential Purchase Agreement", Minnesota State Bar Association.)

This Addendum is a continuation of the PRICE AND TERMS contained in Paragraph 5 of the Purchase Agreement dated _____ by and between _____, as Seller, and _____, as Buyer, for property located at or legally described as:
_____
_____

[Check if applicable] ☐ Seller is a "multiple seller" as defined in Minnesota Statutes Section 559.201, Subdivision 4. Contract for Deed Disclosure, Real Property Form 25, is attached.

A. TYPE OF CONTRACT:
[select one:] ☐ Contract for Deed ☐ Contract for Deed with Assumption of Financing (If Contract for Deed with Assumption, see attached Assumption Addendum, Real Property Form 7.)

B. CONTRACT TERMS:

(1) $_____ shall be paid by a Contract for Deed: *[select either (a) or (b)*

☐ (a) using the form of Contract for Deed attached hereto;

or

☐ (b) in substantially the form of the applicable Minnesota Uniform (Contract for Deed) Conveyancing Blank Form between Seller and Buyer, payable in installments of $_____ per month, or more at the option of Buyer, including interest at the rate of _____% per annum simple interest computed on the unpaid balance using the *[select one]* ☐ 30/360 day method ☐ actual days method. Interest shall accrue from the date of closing. The payment has been computed using a _____ year amortization. The first Contract for Deed payment shall be due and payable on _____ and subsequent payments shall be due and payable on the _____ day of each succeeding month during the term of the Contract for Deed. Payments shall be credited first to interest, with the remainder, if any, applied to principal. All principal, accrued interest and other amounts owed under the Contract for Deed shall be due and payable in full no later than _____. The final payment *[strike out one]* **IS / IS NOT** a balloon payment.

(2) $_____ by assuming and agreeing to pay according to its terms and conditions the underlying financing described on the Assumption Addendum. *[If not applicable, strike this paragraph (2)].*

C. EXISTING MORTGAGE(S)/CONTRACT(S) FOR DEED NOT BEING ASSUMED BY BUYER AND NOT BEING PAID OFF AT CLOSING: *[If not applicable, strike this Section C].*

There is now a mortgage(s) and/or contract(s) for deed encumbering the property which *[strike out one]* **DOES DOES NOT** have a "due on sale" clause and which *[strike out one]* **DOES DOES NOT** require the lender's consent to secondary financing, with an unpaid balance of approximately

_____ by mortgage(s)
_____ by contract(s) for deed

which mortgage(s) and/or contract(s) for deed Buyer does not assume or agree to pay but which *[strike out one]* **IS ARE** to be paid according to *[strike out one]* **ITS THEIR** terms by Seller. Seller shall provide Buyer, prior to closing, with written evidence satisfactory to Buyer that:

(1) the sale of the property to Buyer will not cause a default under said mortgage(s) and/or contract(s) for deed;

(2) by the terms of the mortgage(s) or contract(s) for deed neither the principal balance, interest rate, monthly or other installment payments, nor balloon payments (if any) at the maturity date of the mortgage(s) or contract(s) for deed exceeds those provided for in the Contract for Deed during corresponding time periods; and

(3) the amounts due under the mortgage(s) and contract(s) for deed at the maturity date of the Contract for Deed shall not exceed the amount due under the Contract for Deed on such date.

If such written evidence is not so provided, the Purchase Agreement may, at Buyer's option, be terminated, whereupon all earnest money shall be refunded to Buyer. In such event, Buyer and Seller shall sign a cancellation of Purchase Agreement.

NOTE: If this Section C is applicable, the Contract for Deed shall contain the following terms:

Seller shall, upon written request by Buyer, provide Buyer from time to time with evidence that payments under all underlying mortgage(s) or contract(s) have been made as required. If Seller fails to make the required payments thereunder, Buyer shall have the right to make the payments and deduct all amounts paid from payments next due under the Contract for Deed.

D. CREDIT APPROVAL CONTINGENCY:

Seller's performance of Seller's obligations hereunder is contingent upon Seller's approval of the creditworthiness of Buyer, with the approval to be granted or withheld at the sole discretion of Seller. Buyer shall furnish to Seller a signed financial statement and any credit reports or financial information requested by Seller, including verification of employment and/or income, within ten (10) days of the Acceptance Date of the Purchase Agreement. Seller shall approve or reject Buyer's creditworthiness within twenty (20) days of the Acceptance Date of the Purchase Agreement ("Approval Period"). If Seller does not approve Buyer's creditworthiness, Seller shall, before the expiration of the Approval Period, notify Buyer in writing, whereupon the Purchase Agreement shall be void and all earnest money shall be returned to Buyer. In such event, Buyer and Seller shall sign a cancellation of the Purchase Agreement. If no such notice is given by Seller within the Approval Period, Seller shall be deemed to have waived the contingency contained in this paragraph.

E. SALE OF CONTRACT:

NOTE: This Section E. should be completed and initialed only if the parties intend that the sale of the Seller's interest in the Contract for Deed be arranged prior to Closing.

_____ Buyer _____ Seller

Seller's performance of Seller's obligations under the Purchase Agreement is contingent upon Seller receiving, on or before _____ an offer to purchase the Seller's interest in the Contract for Deed, at no more than a _____ % discount. If no such written offer to purchase the Contract for Deed is received by Seller on or before the above date, Seller may declare the Purchase Agreement void by written notice to Buyer within twenty four (24) hours after such date and all earnest money shall be refunded to Buyer. In such event Buyer and Seller shall sign a cancellation of the Purchase Agreement. If no such notice is given by Seller, Seller shall be deemed to have waived the contingency contained in this paragraph.

F. ADDITIONAL OPTIONAL TERMS:

☐ *[check if applicable]* The Contract for Deed shall include the provisions selected in the attached Contract for Deed Addendum, Minnesota Uniform Conveyancing Blank Form 30.2.1. The Addendum shall be attached to the Contract for Deed to be recorded.

SELLER:	BUYER:
_____	_____
Date	Date
_____	_____
Date	Date