

FOR RESIDENTIAL PROPERTY

RIDER ANNEXED TO CONTRACT OF SALE BETWEEN _____, AS SELLER, AND _____, AS BUYER, DATED: _____.

MORTGAGE CONTINGENCY AND EXPENSE

- A. BUYER and seller agree that this contract shall only be binding on the BUYER if the BUYER is able to obtain a Conventional or mortgage loan. Said loan shall be obtained solely at the BUYER'S expense. The mortgage loan will be in the sum of \$_____ for years at the prevailing rate of interest. The BUYER agrees to apply to an institutional lender which may include a mortgage banker, New York State registered mortgage broker or other NYS licensed lender for a first mortgage loan in the above amount. Such application shall be made with due diligence and dispatch upon receipt of a copy of this contract signed by the SELLER. Should BUYER be unable to obtain such a mortgage after due diligent and proper effort on or before _____, 19__ then either party to this contract may elect to cancel the same and upon the return of all monies paid on account of the purchase price pursuant to this contract to the BUYER, this contract shall be canceled null and void and of no further force and effect.
- B. It is hereby further agreed that if the proposed lender issuing the commitment shall fail or refuse to close the loan for any reason other than the BUYER'S default or the BUYER'S failure to act in good faith, then and in that event this Contract shall be deemed canceled and both parties shall be and are hereby released and discharged from all liability hereunder, except that the down payment hereunder shall be promptly refunded to BUYER.
- C. If for any reason BUYER fails to obtain the mortgage described in paragraph 3a above, BUYER shall apply for a mortgage in the sum of \$_____ on a no income verification basis.
- D. It is agreed that in the event the mortgage referred to herein is approved by the proposed mortgagee in a lesser amount than that set forth in this contract, then in such event, the Seller shall have the option of reducing the price in the exact amount of the difference between the mortgage granted and the mortgage provided for herein to the effect that the cash investment of the BUYER shall be the same amount as originally contemplated in this contract. In the event the Seller exercises said option, the BUYER shall not be released from the contract and shall consummate the transaction on the altered terms.
- E. A mortgage commitment shall otherwise be considered firm and unconditional even though it contains a condition requiring the sale of the BUYER'S present home prior to closing. The BUYER waives any such condition as an inducement to Seller to enter into this contract. In addition, BUYER acknowledges that it is their sole obligation to extend, at their sole expense, the mortgage commitment until the date of closing as set forth herein, including any reasonable adjournments.

VA AND FHA FINANCING

It is expressly agreed that, notwithstanding any other provisions of this contract, the BUYER shall not be obligated to complete the purchase of the property described herein or to otherwise, in those cases involving a VA Loan, if the contract purchase price or cost exceeds the reasonable value of the property established by the Veterans Administration or in those cases to be insured by the Federal Housing Administration unless the Lender delivered to the BUYER, a written statement issued by the Federal Housing Commissioner setting forth the appraised value of the property (excluding closing costs of not less than \$_____ which statement the Lender hereby agrees to deliver to the BUYER promptly after such appraised value statement is made available to the Lender. The BUYER shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the appraised valuation made by the Federal Housing Commissioner or reasonable value established by the Veteran's Administration. In those cases involving FHA, the appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the property. The BUYER should satisfy himself/herself that the price and the condition of the property are acceptable.

BUYER and SELLER acknowledge receipt of LEAD BASED PAINT HEALTH HAZARD DISCLOSURE BULLETIN 312-218 SC235 issued by the United States Government printing office.

BUYERS: _____
(telephone number)

SELLERS: _____
(telephone number)