



VA FINANCING ADDENDUM
Hawaii Association of REALTORS® Standard Form
Revised 4/12 (NC) For Release 11/16 (includes changes through 9/7/17 SFC mtg)



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VA FINANCING ADDENDUM is made a part of Purchase Contract:

Purchase Contract Reference Date: \_\_\_\_\_

Property Reference or Address: \_\_\_\_\_

Tax Map Key: Div. \_\_\_\_/Zone \_\_\_\_/Sec. \_\_\_\_/Plat \_\_\_\_/Parcel \_\_\_\_/CPR \_\_\_\_ (if applicable).

1. Escape Clause. Buyer shall not incur any penalty by forfeiture of deposits or otherwise, nor be obligated to purchase the Property, if the Purchase Price exceeds the appraised value of the Property as established by the Department of Veterans Affairs.

2. Cancellation. Seller agrees that the Purchase Contract is contingent on financing with a VA guaranteed loan. If the financing specified in Paragraphs H-3 & H-4 of the Purchase Contract is not obtained within those timeframes, Buyer may elect to terminate this Purchase Contract pursuant to the termination provisions of Paragraph O-3, and Buyer's deposits shall be promptly returned in full, or as otherwise agreed by the parties in the Purchase Contract.

3. Termite Inspection. Buyer is not allowed to pay for the termite inspection and report. As required by the VA, Buyer cannot pay for the Termite Inspection Report.

4. Discount Points, VA Funding Fee, and Other Fees. Under VA loan guidelines, Buyer may not pay for certain "non-allowables". Non-allowables include, but are not limited to fees/charges related to the following: escrow, notary, mortgage (?), assignment of mortgage, leasehold documents, deed preparation, title endorsement (?) photography, inspections, legal services, homeowners association account transfers, tax services, underwriting, processing, recording, fund wires, couriers, or tracking.

Buyer's lender may charge Buyer a loan origination fee of no more than 1% of the loan amount. If Buyer is not charged a loan origination fee, Buyer may pay for "non-allowables" in an amount up to 1% of the loan amount. Under VA Loan Guidelines, Buyer may not pay for the VA "Non-Allowables": escrow, notary, mortgage, assignment of mortgage, leasehold or deed documentation, title endorsement, photos or inspections, attorneys, homeowners association maintenance transfers, tax services, underwriting, processing, recording, fund wires, couriers, and tracking fees, as applicable, along with any other fees not allowed to be charged to Buyer unless the Veteran is not charged a loan origination fee by his Lender (which may not exceed 1% of the loan amount). Only then can the Veteran pay the VA "Non-Allowables", but only up to 1% of the loan amount.

[ ] Seller Credit. Seller agrees to credit Buyer \$ \_\_\_\_\_ to be applied first to VA "Non-Allowable" closing costs and then toward any other related closing costs. Any excess credit to be applied at Buyer's discretion per VA Guidelines.

5. Special Terms. \_\_\_\_\_

BUYER AND SELLER ARE ADVISED TO CONSULT WITH AN ATTORNEY REGARDING THIS ADDENDUM. BUYER AND SELLER UNDERSTAND AND AGREE TO THE TERMS CONTAINED IN THIS VA FINANCING ADDENDUM.

Buyer \_\_\_\_\_ Date \_\_\_\_\_ Seller \_\_\_\_\_ Date \_\_\_\_\_



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Buyer

Date

Seller

Date

**NOTE:** THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

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