



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)



COPYRIGHT AND TRADEMARK NOTICE: This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

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. However, Buyer shall have the option of proceeding with the purchase of the Property, regardless of the appraised value. It is expressly agreed that, notwithstanding any other provisions of the Purchase Contract, Buyer shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the property described herein, if the Purchase Price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. Buyer shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs. (Authority: 38 U.S.C. 501, 3073(c) (1)).

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 these 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 _____



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).

DRAFT