

## 2.19 FHA & VA AMENDATORY CLAUSE

1 **1. Property Address or Description:** \_\_\_\_\_

2 **2. Names of Parties to this Agreement:**

3 <b>Buyer</b> _____	<b>Seller</b> _____
4 <b>Buyer</b> _____	<b>Seller</b> _____
5 <b>Buyer</b> _____	<b>Seller</b> _____
6 <b>Buyer</b> _____	<b>Seller</b> _____

7 **3.  FHA Financing Clause** (check box if Buyer using a FHA Loan). It is expressly agreed that notwithstanding any other provisions of  
8 this contract, the purchaser [Buyer] shall not be obligated to complete the purchase of the Property described herein or to incur any  
9 penalty by forfeiture of Earnest Money deposits or otherwise, unless the purchaser has been given, in accordance with HUD/FHA or  
10 VA requirements, a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement  
11 lender setting forth the appraised value of the Property of not less than \$ \_\_\_\_\_ [Purchase Price  
12 in Sale Agreement]. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard  
13 to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department  
14 of Housing and Urban Development will insure. HUD does not warrant the value or condition of the Property. The purchaser should  
15 satisfy himself/herself that the price and condition of the Property are acceptable.<sup>1</sup>

16 **4.  VA Financing Clause** (check box if Buyer using a VA Loan). It is expressly agreed that, notwithstanding any other provisions of  
17 this contract, the purchaser [Buyer] shall not incur any penalty by forfeiture of Earnest Money or otherwise or be obligated to complete  
18 the purchase of the Property described herein, if the contract purchase price or cost exceeds the reasonable value of the Property  
19 established by the Department of Veterans Affairs. The purchaser shall, however, have the privilege and option of proceeding with  
20 the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans  
21 Affairs.<sup>2</sup>

22 **5. WARNING:** Whoever, for the purpose of obtaining any loan or advance of credit from any person, partnership, association, or  
23 corporation with the intent that such loan or advance of credit shall be offered to or accepted by the Department of Housing and  
24 Urban Development for insurance, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage  
25 insured by such Department, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the  
26 purpose of influencing in any way the action of such Department, makes, passes, utters, or publishes any statement, knowing the  
27 same to be false, or alters, forges, or counterfeits any instrument, paper, or document, or utters, publishes, or passes as true any  
28 instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset,  
29 or income, shall be fined under [18 U.S.C. 1010] or imprisoned not more than two years, or both.<sup>3</sup>

30 **6. By signing below, the Parties agree to the terms of this addendum and make it part of the above referenced Sale Agreement:**

31 Buyer: _____	Dated: _____	Seller: _____	Dated: _____
32 Buyer: _____	Dated: _____	Seller: _____	Dated: _____
33 Buyer: _____	Dated: _____	Seller: _____	Dated: _____
34 Buyer: _____	Dated: _____	Seller: _____	Dated: _____

<sup>1</sup> HUD 4155.2, 6.A.5.e, *Lender's Guide to the Single Family Mortgage Insurance Process*.

<sup>2</sup> 38 C.F.R. 36.4303(k)(4); authority from 38 U.S.C. 501, 3703(c)(1)

<sup>3</sup> 18 U.S.C. 1010