



ADDENDUM FOR

**RELEASE OF LIABILITY ON ASSUMPTION OF FHA, VA OR CONVENTIONAL LOAN
RESTORATION OF SELLER'S ENTITLEMENT FOR VA GUARANTEED LOAN**

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

**ADDENDUM TO EARNEST MONEY CONTRACT BETWEEN THE UNDERSIGNED PARTIES
CONCERNING THE PROPERTY AT _____**

(Street Address and City)

A. RELEASE OF SELLER'S LIABILITY ON LOAN TO BE ASSUMED:

Within _____ days from the effective date of this contract Seller and Buyer shall apply for release of Seller's liability from (a) any conventional lender, (b) VA and any lender whose loan has been guaranteed by VA, or (c) FHA and any lender whose loan has been insured by FHA. Seller and Buyer shall furnish all required information and documents. If any release of liability has not been approved by the Closing Date: (check 1 or 2 below)

- 1. This contract shall terminate and the Earnest Money shall be refunded to Buyer.
- 2. Failure to obtain release approval shall not delay closing and Seller and Buyer shall continue to seek release of Seller's liability.

B. RESTORATION OF SELLERS ENTITLEMENT FOR VA LOAN:

Within _____ days from the effective date of this contract Seller and Buyer shall apply for restoration of Seller's VA entitlement and shall furnish all information and documents required by VA. If restoration has not been approved by the Closing Date: (check 1 or 2 below)

- 1. This contract shall terminate and the Earnest Money shall be refunded to Buyer.
- 2. Failure to obtain restoration approval shall not delay closing and Seller and Buyer shall continue to seek restoration of Seller's VA entitlement.

NOTICE: VA will not restore Seller's VA entitlement unless Buyer: (a) is a veteran, (b) has sufficient unused VA entitlement and (c) is otherwise qualified. If Seller desires release of liability from VA and the lender together with restoration of VA entitlement, paragraphs A and B should be used.

Seller shall pay the cost of securing the release and restoration. If Seller's cost will exceed \$ _____, and Buyer declines to pay the excess, Seller may (a) waive release or restoration, (b) pay the excess, or (c) terminate this contract and the Earnest Money shall be refunded to Buyer.

Seller's deed shall contain any loan assumption clause required by FHA, VA or any lender. The provisions of this addendum are enforceable after closing.

Buyer

Seller

Buyer

Seller

The form of this Addendum has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. (03-92) TREC No. 12-1. This form replaces TREC No. 12-0.