

**LOAN ASSUMPTION ADDENDUM  
TO CONTRACT CONCERNING THE PROPERTY AT**

(Address of Property)

**A. ASSUMPTION.** Buyer's assumption of an existing note includes all obligations imposed by the deed of trust securing the note.

(1) The unpaid principal balance of a first lien promissory note payable to \_\_\_\_\_ which unpaid balance at closing will be \$ \_\_\_\_\_.  
The total current monthly payment including principal, interest and any reserve deposits is \$ \_\_\_\_\_. Buyer's initial payment will be the first payment due after closing.

(2) The unpaid principal balance of a second lien promissory note payable to \_\_\_\_\_ which unpaid balance at closing will be \$ \_\_\_\_\_.  
The total current monthly payment including principal, interest and any reserve deposits is \$ \_\_\_\_\_. Buyer's initial payment will be the first payment due after closing.

If the unpaid principal balance of any assumed loan as of the Closing Date varies from the loan balance stated above, the  cash payable at closing  Sales Price will be adjusted by the amount of any variance. If the total principal balance of all assumed loans varies in an amount greater than \$500 at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless the other party elects to pay the excess of the variance.

**B. SELLER'S LIENS.** Unless Seller is released from liability on any assumed note, a vendor's lien and deed of trust to secure assumption will be required. The vendor's lien will automatically be released on delivery of an executed release by noteholder.

**C. TAX AND INSURANCE ESCROW.** If noteholder maintains an escrow account for ad valorem taxes, casualty insurance premiums or mortgage insurance premiums, Seller shall transfer the escrow account to Buyer without any deficiency.

**NOTICE TO BUYER:** If you are concerned about the possibility of future adjustments, monthly payments, interest rates or other terms, do not sign the contract without examining the notes and deeds of trust.

**NOTICE TO SELLER:** Your liability to pay the notes assumed by Buyer will continue unless you obtain a release of liability from the noteholders. If you are concerned about future liability, you should use the TREC Release of Liability Addendum.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_