



RIDER 8

FHA FINANCING CLAUSE

This Contract is Intended to be a Binding Real Estate Contract



Rev. 01/2012

1 This FHA Financing Clause Rider ("**Rider**") is made a part of and incorporated into that certain real estate
2 contract between \_\_\_\_\_ ("**Buyer**") and \_\_\_\_\_
3 \_\_\_\_\_ ("**Seller**") dated \_\_\_\_\_, 20\_\_\_\_ ("**Contract**") for the purchase and
4 sale of: \_\_\_\_\_
5 ("**Property**").
6 (address) (unit #) (city) (state) (zip)

7 I. Except as modified by this Rider, all of the terms and conditions contained in the Contract remain in
8 full force and effect. In the event of any conflict between the terms and conditions of this Rider and the terms
9 and conditions of the Contract, the terms and conditions of this Rider shall prevail. Capitalized terms used and
10 not defined in this Rider shall have the meaning given to such terms in the Contract.

11 II. Seller agrees to deliver to Buyer a written statement issued by the Federal Housing Commissioner or a
12 Direct Endorsement Lender setting forth the appraised value of the Property (excluding closing costs) (the
13 "**Appraised Valuation**") on or prior to \_\_\_\_\_, 20\_\_\_\_ ("**Valuation Contingency Deadline**").
14 If Seller does not deliver the Appraised Valuation prior to the Valuation Contingency Deadline or if the
15 Appraised Valuation is less than the Purchase Price, then Buyer may elect to terminate the Contract by
16 delivering written notice to Seller within \_\_\_\_ days after the Valuation Contingency Deadline, in which event
17 the CONTRACT SHALL BECOME NULL AND VOID AND OF NO FURTHER FORCE AND EFFECT AND
18 THE EARNEST MONEY, INCLUDING ALL INTEREST ACCRUED THEREON, IF ANY, SHALL BE
19 RETURNED TO BUYER.

20 III. Any certifications required by the FHA or other governmental authority, including, but not limited to,
21 heating, plumbing, electrical, roofing and termite, shall be paid as follows: \_\_\_\_\_
22 \_\_\_\_\_
23 \_\_\_\_\_

24 Seller agrees to make any repairs or replacements required by the FHA or other governmental authority prior to
25 Closing, provided that the cost of such repairs or replacements do not exceed \$\_\_\_\_\_ ("**Cost Cap**"). If
26 the costs of completing the repairs or replacements exceeds the Cost Cap, then either party may elect to
27 terminate the Contract by delivering written notice to the other party within \_\_\_\_ days of the Valuation
28 Contingency Deadline, in which event the CONTRACT SHALL BECOME NULL AND VOID AND OF NO
29 FURTHER FORCE AND EFFECT AND THE EARNEST MONEY, INCLUDING ALL INTEREST ACCRUED
30 THEREON, IF ANY, SHALL BE RETURNED TO BUYER. If neither party delivers written notice in the time
31 period specified in the foregoing sentence, then this provision shall be deemed waived, the Contract shall remain
32 in full force and effect and Seller and/or Buyer shall have the option of paying for the costs of any repairs or
33 replacements which exceed the Cost Cap.

34 IV. Seller and Buyer, certify, to the best of their knowledge and belief, that the terms of the Contract are
35 true and that there are no other parties or undisclosed arrangements in connection with this transaction. Seller
36 and Buyer acknowledge and agree that (i) the purpose of the Appraised Valuation is to determine the maximum
37 mortgage amount that the Department of Housing and Urban Development ("**HUD**") will insure; (ii) HUD does
38 not warrant the value or the condition of the Property; and (iii) Buyer should independently determine whether
39 the Purchase Price and the condition of the Property are acceptable to Buyer.

40 \_\_\_\_\_
41 Buyer's Signature Date Seller's Signature Date

42 \_\_\_\_\_
43 Buyer's Signature Date Seller's Signature Date