



OWNER FINANCE ADDENDUM

1 **SELLER:** _____

2 **BUYER:** _____

3 **PROPERTY:** _____

4 1. MORTGAGE NOTE. _____ DOLLARS (\$_____) of the
5 Purchase Price shall be in the form of a NOTE from BUYER payable to SELLER and secured by a purchase
6 money mortgage/deed of trust on the Property, executed by BUYER and spouse, if any. Said mortgage/deed of
7 trust shall be inferior to any existing or new mortgage/deed of trust which BUYER is obtaining or assuming by the
8 terms of this Contract.
9

10 2. PAYMENT TERMS. The above described Note shall be payable as follows:
11 (Check and complete applicable paragraphs.)

12 a. AMORTIZED over a period of ___ years and payable in equal monthly installments of \$_____, including
13 interest at the rate of _____ percent (____%) per annum, beginning on
14 _____ and continuing on the ____ day of each succeeding month
15 thereafter until the entire principal sum and any accrued interest is paid in full. Each installment shall first be
16 applied toward interest accrued on the unpaid balance and the remainder toward reduction of principal.
17 Interest calculations will be based on 365 calendar days. Interest will start accumulating on _____
18 _____.

19 b. BALLOON PAYMENT. Provided however, the entire unpaid principal balance, and accrued interest, will be
20 due and payable in full on _____.

21 c. TERM NOTE. Principal plus accrued interest at the rate of _____% per annum, shall be due and payable
22 on or before the ____ day of _____.

23 d. ESCROW FOR TAXES AND INSURANCE: BUYER will pay the annual real estate taxes by monthly
24 payments of \$_____ to Escrow Agent (adjusted as taxes may change) and insurance premiums
25 by monthly payments of \$_____ to Escrow Agent (coverage to include SELLER as additional
26 insured) on such property directly to the insurance agent when the same are due. The parties understand
27 and agree that it is their responsibility to notify the taxing authority and/or the insurance provider of the
28 correct billing information.

29 e. OTHER PAYMENT TERMS: _____
30 _____
31 _____

32
33 3. LATE CHARGE. BUYER shall pay a charge of 5% of the monthly installment for each payment not received by
34 NOTE HOLDER within ten (10) calendar days after its due date.
35

36 4. PREPAYMENT. BUYER shall have the right to prepay the principal or any portion thereof at any interest paying
37 date without penalty. However, any such prepayment shall not reduce the amount of the monthly payment stated
38 above unless otherwise agreed by BUYER and the NOTE HOLDER in writing.
39

40 5. DEFAULT/RIGHT TO CURE/ACCELERATION. If any monthly installment under the NOTE is not paid when due
41 and remains unpaid for a period of ____ calendar days (minimum of thirty (30) days on second mortgages) after
42 notice to BUYER, the entire principal balance outstanding and accrued interest thereon shall at once become due
43 and payable at the option of the NOTE HOLDER. NOTE HOLDER'S option to accelerate hereunder is subject to
44 and limited by any statutory rights to cure afforded BUYER under the applicable laws of Kansas and/or Missouri in
45 effect on the date of execution of the Note.
46

47 6. DUE ON SALE CLAUSE. The NOTE and/or mortgage/deed of trust shall contain a term permitting the NOTE
48 HOLDER to demand payment of the entire principal balance outstanding on said NOTE in the event of the sale,
49 transfer or other conveyance of the property described herein.

SELLER | SELLER Initials

Initials BUYER | BUYER

- 50 7. INSURANCE AND TAXES. BUYER shall maintain fire and extended coverage insurance on the Property with
 51 mortgagee's coverage sufficient to cover the NOTE HOLDER'S interest in the Property and shall provide the NOTE
 52 HOLDER with proof thereof on an annual basis. BUYER shall provide the NOTE HOLDER with copies of paid
 53 receipts for real estate taxes on an annual basis.
 54
- 55 8. OTHER LOAN COSTS. BUYER shall pay for all other costs associated with obtaining and perfecting the
 56 mortgage/deed of trust including mortgagee's title insurance policy, any document preparation fees, monthly escrow
 57 fees, mortgage registration tax, if applicable, and recording fees.
 58 Check one: SELLER BUYER shall pay for the escrow setup fee. SELLER and BUYER will split the cost
 59 of the escrow set up fee 50/50.
 60
- 61 9. ESCROW AGENT: _____
 62 Escrow Agent Address: _____
 63 Escrow Agent Phone Number: _____
 64
- 65 10. CREDIT APPROVAL. SELLER'S agreement to make the above described loan to BUYER is expressly conditional
 66 upon SELLER'S approval of BUYER'S credit. BUYER agrees to provide SELLER with a financial statement and
 67 employment verification within _____ calendar days (seven (7) if left blank) after the effective date of this contract.
 68 If BUYER'S credit is not acceptable, SELLER shall notify in writing BUYER or Licensee assisting
 69 BUYER/transaction broker within seven (7) calendar days of receipt of BUYER'S credit information and in such
 70 event, the Earnest Money shall be refunded to BUYER subject to the provisions of the Earnest Money and
 71 Additional Deposits paragraph of the Contract. Failure of SELLER to notify BUYER or Licensee assisting
 72 BUYER/transaction broker of disapproval within the specified time shall be deemed a waiver of this credit approval
 73 condition and BUYER'S credit shall be deemed approved.
 74
- 75 11. STANDARD FORMS. BUYER and SELLER acknowledge and agree the NOTE and mortgage/deed of trust
 76 instruments provided for herein shall be FNMA/FHLMC uniform instruments incorporating the specific terms set out
 77 herein. Any alteration or modification of those instruments, except as expressly provided herein, must be with the
 78 express written approval of the parties hereto.
 79
- 80 12. ADDITIONAL TERMS: _____
 81 _____
 82 _____
 83 _____
 84

85 **CAREFULLY READ THE TERMS HEREOF BEFORE SIGNING. WHEN SIGNED BY ALL PARTIES, THIS**
 86 **DOCUMENT BECOMES PART OF A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, CONSULT AN**
 87 **ATTORNEY BEFORE SIGNING**
 88

89

90	SELLER	DATE	BUYER	DATE
91	_____	_____	_____	_____
92				
93	SELLER	DATE	BUYER	DATE
94	_____	_____	_____	_____
95				
96	ADDRESS		ADDRESS	
97	_____		_____	
98				
99	PHONE NUMBER		PHONE NUMBER	

Approved by Legal Counsel of the Kansas City Regional Association of REALTORS® for exclusive use by its REALTOR® members. No warranty is made or implied as to the legal validity or adequacy of this Contract, or that it complies in every respect with the law or that its use is appropriate for all situations. Local law, customs and practices, and differing circumstances in each transaction may dictate that amendments to this Contract be made. Last revised August 2018. All previous versions of this document may no longer be valid. Copyright January 2023.