

7. Financed or Cash Purchase (For Classroom Illustration ONLY)

A. LOANS. The Agreement is contingent upon Buyer's ability to obtain a loan in the amount stated above in Paragraph 2B

Of the following type Conventional FHA VA Other
Secured by Mortgage Deed of Trust

1. Buyer has made written application for a loan in the amount stated above, or
 Buyer agrees to make written application for such loan no later than ___ days after Date of Acceptance

If Buyer does not make written application by the date indicated this Agreement shall terminate and the earnest money shall be refunded to Buyer unless the parties agree in writing to an extension

2. Preliminary Loan Approval must stipulate that : **a)** loan application has been made; **b)** a credit report has been obtained and reviewed by a lender; **c)** a preliminary loan commitment has been obtained from the same lender reviewing the credit report; **d)** financing equal to the loan amount provided in Paragraph 2B is available to complete the transaction *with no contingencies except those provided for in this Agreement*

If Buyer cannot obtain such Preliminary Loan Approval by the date indicated this Agreement shall terminate and the earnest money shall be refunded to Buyer unless the parties agree in writing to an extension

3. If there are changes to the loan, loan program, financing terms, or change in lender at any time after Buyer obtaining written Preliminary Loan Approval which adversely affect Buyer's ability to obtain a loan, increase Seller's costs or delay Closing, Buyer shall have the obligation to notify Seller in writing within 2 days of such occurrence

In that event, Seller, within 5 days of receipt of written notice, may notify Buyer in writing that: **a)** Seller's approval of such changes, or **b)** Seller's decision to terminate the Agreement. If Seller does not notify Buyer within this 5 day period, Seller will be deemed to have waived Seller's right to terminate this Agreement and the parties shall proceed to Closing

4. Buyer further agrees to provide Seller with written notification of Final Loan Approval from Buyer's lender *with all loan contingencies removed* by ___ days Prior to the Settlement/Signing Date.

In the event Buyer receives a written Rejection from lender prior to receiving a Final Loan Approval this Agreement shall terminate and the earnest money shall be refunded to Buyer