FHA Amendatory Clause &
Real Estate Certification

Borrower Name(s):	Borrower Address:
Property Address:	FHA Case Number:

FHA AMENDATORY CLAUSE

It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender, setting forth the appraised value of the property of not less than $.
The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

Borrower Date Co-Borrower Date

Seller Date Seller Date

REAL ESTATE CERTIFICATION

The borrower, seller, and the selling real estate agent or broker involved in the sales transaction certify that the terms and conditions of the sales contract are true to the best of their knowledge and belief and that any other agreement entered into by any of the parties in connection with the real estate transaction is part of, or attached to, the sales agreement.

Borrower Date Co-Borrower Date

Seller Date Seller Date

Listing Agent (Seller's Agent) Date Selling Agent (Buyer's Agent) Date

Notice to Homeowner – Assumption of HUD/FHA Insured Loans
Release of Personal Liability

Loan Number: **PK1007951**	FHA Case Number:

You are legally obligated to make the monthly payments required by your mortgage (Deed of Trust) and promissory note.

The Department of Housing and Urban Development (HUD) has acted to keep Investors and non-creditworthy purchasers from acquiring one-to-four family residential properties covered by certain FHA-insured mortgages. There are minor exceptions to the restriction on investors: loans to public agencies and some non-profit organizations, Indian tribes or servicepersons; and loans under special mortgage insurance programs for property sold by HUD, rehabilitation loans or refinancing if insured mortgages. Your lender can advise you if you are included in one of these exceptions.

HUD will therefore direct the lender to accelerate this FHA-insured mortgage loan if all or part of the property is sold or transferred to a purchaser or recipient (1) who will not occupy the property as his or her principal residence, or (2) who does occupy the property whose credit has not been approved in accordance with HUD requirements. This policy will apply except for certain sales or transfers where acceleration is prohibited by law.

When a loan is accelerated, the entire balance is declared "immediately due and payable." Since HUD will not approve the sale of the property covered by this mortgage to an investor or to a person who has not been approved, you, the original homeowner, would remain liable for the mortgage debt even though the title to the property might have been transferred to the new buyer.

Even if you sell your home by letting an approved purchaser (that is, a credit-worthy owner-occupant) assume your mortgage, you are still liable for the mortgage debt unless you obtain a release from liability from your mortgage lender. FHA-approved lenders have been instructed by HUD to prepare such a release when a original homeowner sells his or her property to a creditworthy purchaser who executes an agreement to assume and pay the mortgage debt and thereby agrees to become the substitute mortgagor. The release is contained in Form HUD-92210-1, ("Approval of Purchaser and Release of Seller"). You should ask for it if the mortgage lender does not provide it to you automatically when you sell your home to a creditworthy owner-occupant purchaser who executes an agreement to assume personal liability for the debt. When this form is executed, you are no longer liable for the mortgage debt.

You must sign and date this Notice as indicated, return one copy to your lender as proof of notification and keep one copy for your records.

Borrower	Date	Borrower	Date
Borrower	Date	Borrower	Date

Instruction to Lender: A copy of this Notice must be given to the mortgagor(s) on or before the date of settlement. You should retain a signed copy in the origination file.

Informed Consumer Choice Disclosure Notice

In addition to an FHA-insured mortgage, you may also qualify for other mortgage products offered by your lender. To assure that you are aware of possible choices in financing, your lender has prepared a comparison of the typical costs of alternative conventional mortgage product(s) below, using representative loan amounts and costs (the actual loan amounts and associated costs shown below will vary from your own mortgage loan transaction). You should study the comparison carefully, ask questions, and determine which product is best for you. The information provided below was prepared as of **08/06/2010** .

Neither your lender nor FHA warrants that you actually qualify for any mortgage loan offered by your lender. This notice is provided to you to identify the key differences between these mortgage products offered by your lender. **This disclosure is not a contract and does not constitute loan approval.** Actual mortgage approval can only be made following a full underwriting analysis by your mortgage lender.

		FHA Financing 203(b) Fixed Rate	**Conventional Financing 95% with Mortgage Insurance (MI)**
1.	Sales Price	$100,000	$100,000
2.	Mortgage Amount	$96,500 ($98,671 with upfront Mortgage Insurance Premium)	$95,000
3.	Closing Costs	$2,000	$2,000
4.	Downpayment Needed	$3,500	$5,000
5.	Interest Rate and Term of Loan in Years	7.00% / 30 Year Loan	7.00% / 30 Year Loan
6.	Monthly Payment (principal and interest only)	$656.46	$632.04
7.	Loan-to-Value	96.50%	95%
8.	Monthly Mortgage Insurance	$44.03 [1]	$61.75
9.	Maximum Number of Years of Monthly Insurance Premium Payments	Approx. 12.5 Years	Approx. 12 Years
10.	Upfront Mortgage Insurance Premium (if applicable)	$2,171.00 [2] (Included in Mortgage Amount, line 2)	N/A

1 Monthly mortgage insurance premiums are calculated on the average annual principal balance, i.e., as the amount you owe on the loan decreases each year, so does the amount of the monthly premium.

2 Based on an upfront mortgage insurance premium rate of 2.25%.

FHA Mortgage Insurance Premium Information

If you paid an upfront mortgage insurance premium, you will also be charged a monthly mortgage insurance premium until the loan-to-value ratio of your mortgage reaches 78 percent of the *initial* sales price or appraised value of your home, whichever was lower (provided that premiums are paid for at least five years). You will reach the 78 percent loan-to-value threshold in one of two ways: Through normal amortization as you make your monthly payments, or by paying additional principal on the mortgage. Your lender can advise you on when the mortgage will reach the 78 percent level through normal amortization.

If you have a 15-year mortgage and make a downpayment in excess of 10 percent, you will not have to make monthly mortgage insurance premiums. You will also reach the 78 percent loan-to-value threshold earlier than on longer term mortgages and may not have to pay monthly mortgage insurance premiums for the full five years.

You are required to make these payments on your FHA-insured loan unless you refinance or the mortgage is otherwise paid in full.

If you were *not* charged an upfront premium, as for example on condominiums, you will pay the monthly premium for the life of the mortgage.

Borrower Date Co-Borrower Date

US Department of Housing
and Urban Development
Federal Housing Administration (FHA)

OMB Approval No: 2502-0538
(exp. 07/31/2009)

For Your Protection: Get a Home Inspection

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

√ Evaluate the physical condition: structure, construction and mechanical systems;
√ Identify items that need to be repaired or replaced; and
√ Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

√ Estimate the market value of a house;
√ Make sure that the house meets FHA minimum property standards/requirements; and
√ Make sure that the property is marketable.

FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

Energy-Efficient Mortgages
Fact Sheet

Property Address: File No.________________

Purpose

Provides mortgage insurance for a person to purchase or refinance a principal residence and incorporate the cost of energy efficient improvements into the mortgage. The mortgage loan is funded by a lending institution, such as a mortgage company, bank, savings and loan association and the mortgage is insured by HUD.

Eligibility Requirements

- Borrower must meet standard FHA credit qualifications
- Borrower is able to finance closing costs and the up-front mortgage insurance premium into the mortgage. The borrower will also be responsible for paying and annual premium
- Existing or newly constructed one to four unit properties are eligible.
- The cost of the energy-efficient improvements that may be eligible for financing into the mortgage is the *greater of 5%* of the property's value (not to exceed $8000) or $4,000.
- To be eligible for inclusion in the mortgage, the energy-efficient improvements must be cost effective, meaning that the total cost of the improvements is less than the total present value of the energy saved over the useful life of the energy improvement
- The cost of the energy improvements and estimate of the energy savings must be determined by a home energy rating system (HERS) or energy consultant. Up to $200 of the cost of the energy inspection report may be included in the mortgage.
- Maximum mortgage amount for the single-family unit is $____________plus the cost of the eligible energy-efficient improvements. Lesser limits may be applicable in other areas.

For More Information

- Contact your local HUD office.

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