



Frequently Asked Questions

The HomeSteps Offer Process

Who can I contact for more information about a HomeSteps home?

You can either contact the listing agent identified on the property listing directly, or if you are working with a licensed real estate agent, they can help you get more information and arrange to see the home.

How do I buy a HomeSteps home?

The process for buying a HomeSteps home and submitting an offer is similar to the process for buying just about any home listed on the market.

If you are working with a real estate agent, they will contact the listing agent to begin the purchase process. If you do not have a real estate agent, you can call the listing agent noted on the property listing directly. The listing agent will walk you through the purchase process and answer any of your questions, or will refer you to an agent that represents buyers.

What do I need to submit with my offer?

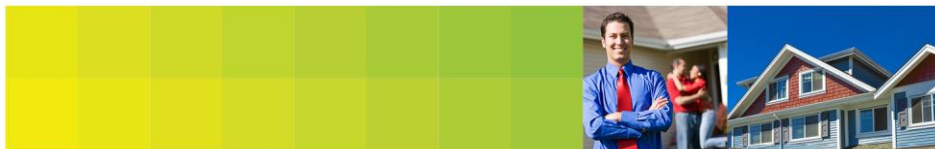
When you submit your offer, it is important that you provide all the required items. The Offer Submission Checklist provides a complete list of items requested by HomeSteps when submitting an offer and may be downloaded from HomeSteps.com by clicking on one of the following links:

- Homebuyers: www.homesteps.com/homesteps/homebuyer/making_an_offer.html
- Real Estate Agents: www.homesteps.com/homesteps/real/submitting_an_offer.html

All offers must be in writing, with the terms clearly stated in the contract. The contract must be signed and dated by all buyers. The listing agent will enter complete offers into HomeSteps' system. Once an offer is entered into the HomeSteps system, an email will be automatically sent to your real estate agent acknowledging receipt of the offer. It is important that your real estate agent provide an accurate email address to HomeSteps.

Incomplete offers may not be entered into the HomeSteps system and may not be considered. Once HomeSteps has received a complete offer it has the right to accept* or reject it.

*Initial agreement. Legal acceptance occurs only when the contract is fully executed by all parties.



How long does it take for HomeSteps to respond to an offer once it has been submitted?

On average, complete offers are responded to or countered within 48 hours, but it may take longer for the full final approval process to be completed. HomeSteps has the right to accept* or reject any offer. Please note: HomeSteps will not begin negotiating any offers on a home until it has been listed in the local Multiple Listing Service (MLS) for at least 48 consecutive hours.

Can I negotiate pricing on a HomeSteps home?

You can negotiate; however, it is important to know that most of our homes sell very close to full estimated market value – an average of 95 percent. Offers from multiple bidders are common and in some markets homes sell for above list price. Your real estate agent can work with you to determine a price that you believe is fair. Generally, the most successful offer is one that aligns with comparable values in the surrounding neighborhood.

What happens if I counter the offer from HomeSteps?

HomeSteps will review and respond to your counter offer. Please note that any type of counter to HomeSteps' offer could result in having your offer rejected. This includes counter offers that change the close date, the earnest money amount or any other elements of the contract.

Can I purchase a home directly from HomeSteps/Freddie Mac?

HomeSteps uses the services of real estate agents to sell Freddie Mac's real-estate owned homes. If you are interested in purchasing a particular home, please contact the assigned listing agent for the home or work with a local real estate agent to facilitate the transaction. The listing agent contact information can be found on the property details page on HomeSteps.com.

Can investors purchase HomeSteps homes?

Yes. However, investors are not able to purchase HomeSteps homes during the first 20 days (30 days in Nevada, Cook County, IL, and the city of Detroit, MI) they are listed on the market. This is to give owner occupant homebuyers a fair opportunity to purchase our homes.

What happens if HomeSteps receives more than one offer on a home?

If we receive more than one offer on a home at the same time, we will initiate our Multiple Offer Process.

- The listing agent will enter all complete offers into HomeSteps' system and the Multiple Offer Process will begin.
- The listing agent will contact the people who submitted offers through their selling agents, advising them of the multiple offer situation and requesting that they submit their highest and best offer. A cut-off date and time to submit the offer will be provided to the buyer's agent.
- Once the cut-off date and time has expired, the listing agent will enter all buyers' highest and best offers in HomeSteps' system.
- HomeSteps will evaluate all complete offers, and the best offer will either be countered or accepted*.

DISCLOSURE NOTICE TO BUYERS AND AGENTS

- **Buyer is NOT permitted to make repairs, store personal belongings or occupy the property at ANY point prior to closing AND funding. Doing so MAY result in criminal charges and/or offer cancellation. Properties are regularly inspected. We will find out about the above items!**
- **Buyer is NOT permitted access to the property without their representative present.**
- Seller has acquired the property as a result of a foreclosure or similar proceeding and may not be the owner of record at initial listing, at contract acceptance or prior to closing.
- Seller is typically a financial institution (Bank, Mortgage Company, Corporate Investor etc.) whose employees work in a Real Estate Owned (REO) department or an outsourced company for the Seller.
- REO departments/outsourcers typically work normal business hours (not weekends, evenings or holidays) and are located throughout the country and in different time zones.
- REO departments/outsourcers will NOT negotiate directly with Buyer or Buyer's agent. Do NOT attempt to make contact with the Seller for ANY reason. Listing office is the sole point of contact.
- An Offer is considered to be a complete package per the Submitting Offers document. An incomplete package does NOT constitute an Offer and MAY not be submitted to Seller.
- Seller response times vary. There is NO guarantee of prompt response to any Offer regardless of terms.
- A full price Offer does NOT guarantee acceptance or that a commission is due and payable.
- In multiple Offer situations; Seller MAY entertain multiple Offers on the property without accepting any Offer, Seller MAY accept an Offer with a lower sales price if all other terms are deemed more acceptable OR MAY accept no offer at all. There is no special consideration given to an Offer that was presented "first", initially "higher" and/or initially at or above asking price.
- Seller MAY have started title work. Seller MAY require the buyer to use the Seller's closing company as a condition of sale. Seller MAY pay for title insurance in these circumstances.
- Seller MAY not pay their share of transfer taxes and/or charge other fees. In these cases, Buyer is responsible for paying transfer taxes and/or fees. Refer to the Seller's Addendum for details.
- Seller generally will NOT make repairs (including lender required repairs), treat for pests, remediate mold, make dye test/municipal requirement corrections and/or perform other actions (including payment of fees) as may be typical in traditional transaction. Please consider this when negotiating.
- Seller expects all documents returned within 1 (ONE) business day from request.
- Due to the nature of this type of transaction, a closing MAY be delayed for title, deed or other issues. While Seller strives to meet negotiated closing dates, there is NO guarantee that the date will be achieved. Buyer is still expected to meet the negotiated closing date on their part. Do not schedule contractors, movers, etc. without a confirmed closing date, seller executed HUD and wire confirmation.
- Winterization is done for Seller's purpose. Winterization does NOT guarantee against prior or future damage and is not warranted by Seller. Do NOT use the winterization in lieu of an inspection.
- Buyer agents representing themselves, a blood relative or a company in which they have an interest MAY not be paid a commission by the seller. Please consider this when negotiating.
- Buyer deposits may not be deposited for up to 5 days. Buyer agrees to this provision if applicable.
- Checks made payable to Priority Realty, LLC are subject to a \$40.00 non-sufficient funds fee. NSF fee is due and payable in a cashier's check to Priority Realty, LLC when the new check is presented.

Parties acknowledge and accept by signing below:

Buyer Signature(s):

Buyer's Agent Signature:

date

date

date

SUBMITTING OFFERS HOMESTEPS

The following items must be submitted with every offer. Offers cannot be submitted without ALL of these items.

- ☐ 1. Fully completed CONTRACT COVER SHEET.
- ☐ 2. Fully completed, most current version of the P.A.R STANDARD AGREEMENT FOR OF SALE OF REAL ESTATE including electing or waiving each inspection and contingency.
- ☐ 3. Signed ADDENDUM #1 TO CONTRACT OF SALE. This SAMPLE addendum needs to be signed by the buyer and agent. This acknowledges that the buyer and agent have read and understand the addendum. After the offer is accepted, the buyer will sign a new, identical addendum that has been pre-populated by the seller with the negotiated terms.
- ☐ 4. Signed RIDER TO CONTRACT OF SALE STATE OF PENNSYLVANIA.
- ☐ 5. Signed PROPERTY CONDITION ADDENDUM AND RELEASE as attached to the MLS listing.
- ☐ 6. Signed ADDENDUM CONTRACT OF SALE—Lead Based Paint as attached to the MLS listing.
- ☐ 7. Signed Commission Disbursement Authorization.
- ☐ 8. Fully completed HomeSteps Questionnaire.
- ☐ 9. Copy of Earnest (Hand) Money check made payable to Priority Realty, LLC. The listing office MUST hold the hand money. At the time of presenting the offer we just need a copy of a personal check. Upon acceptance of offer the check must be a CASHIER'S CHECK and immediately sent to:
Priority Realty, LLC
2840 Library Road, Suite 290
Pittsburgh, PA 15234-2621

PLEASE NOTE: A delay in receipt of the Hand Money check may result in the withdrawal of acceptance of the offer. It is recommended that checks are sent by overnight night mail or regular mail with delivery confirmation.

- ☐ 10. Documented financial ability to close.
Proof of Funds. If the offer has cash terms, we need recent documentation showing **liquid funds** equal to or exceeding the offer price. This can include bank statements, a signed letter on letterhead from a financial institution where the funds are held, an established line of credit or similar items. Cash, POF in another's name or LOCs not yet established are NOT acceptable.
Proof of Financing. If the offer is financed, with a mortgage or any means other than **liquid funds**; we need a pre-approval letter from a reputable lender. The pre-approval MUST specific that credit was pulled and proof of funds to close have been verified. In addition, the seller MAY require a letter from the lender indicating the buyers' credit score or a pre-approval from buyer's lender.
- ☐ 11. Signed ADDENDUM TO AGREEMENT FOR SALE OF REAL ESTATE.
- ☐ 12. Signed DISCLOSURE NOTICE TO PROSPECTIVE BUYERS.
- ☐ 13. Signed BUYER SIDE CLOSING RESPONSIBILITIES.
- ☐ 14. **Corporate Documentation.** If the title is being taken in any form other than personal name; corporation, LLC, trust, holding company or similar, documentation that verifies signing authority must be presented with the offer. In addition, the seller MAY require further documentation and/or a Certificate of Good Standing from the state in which entity is native.
PLEASE NOTE: Do NOT submit an offer in the name of an entity which has not yet been created.

- ☐ 15. Signed additional documents as necessary; AGREEMENT OF PURCHASER, MULTIPLE OFFER PROCEDURE FORM.
- ☐ 16. Email the complete package in one attachment with documents in the order above to Offers@PriorityRealty.net

ADDITIONAL ITEMS OF NOTE:

Seller will NOT entertain incomplete offers, verbal offers, letters of intent or similar, offers which contain an assignment, offers subject to a third party buyer approval or similar contingencies.

Seller does NOT accept any Price Escalation Agreements or Home Sale contingencies.

Seller does NOT provide any Seller's Property Disclosure Statements not even a blank one.

Seller does NOT sign the Oil, Gas and Mineral Rights/Interests Addendum.

CONTRACT COVER FORM

Property Address: _____

Buyer Name(s) in which title is to be taken: _____ Buyer's Intended Use: ☐ Owner Occupant ☐ Investor

LISTING BROKER INFORMATION

Listing Agent Name: Bob Moncavage Company: Priority Realty, LLC
Company Address: 2840 Library Road, Ste 290 OFFICE MLS ID #: 80901
Pittsburgh, PA 15234-2621 AGENT MLS ID#: 205911
Phone Number: 412-819-0777 x12 Fax: 412-712-9778
Email: bob@PriorityRealty.net

SELLING BROKER INFORMATION

Selling Agent Name: _____ Company: _____
Company Address: Street: _____
City/State/Zip: _____
Phone Number: _____ Fax Number: _____
Cellular/Pager: _____ Email: _____
OFFICE MLS ID #: _____ AGENT MLS ID #: _____

BUYER'S ATTORNEY (IF APPLICABLE)

Attorney Name: _____ Company: _____
Company Address: Street: _____
City/State/Zip: _____
Phone Number: _____ Fax Number: _____
Cellular: _____ Email: _____

FINANCING LENDER INFORMATION

Lender Contact: _____ Company: _____
Company Address: Street: _____
City/State/Zip: _____
Phone Number: _____ Fax Number: _____
Cellular: _____ Email: _____

CLOSING AGENT INFORMATION

Closing Contact Name: _____ Company: _____
Company Address: Street: _____
City/State/Zip: _____
Phone Number: _____ Fax Number: _____
Cellular: _____ Email: _____

ADDENDUM TO AGREEMENT FOR THE SALE OF REAL ESTATE

PROPERTY: _____
SELLER: _____
BUYER: _____

Buyer and Seller agree and understand that the AGREEMENT FOR THE SALE OF REAL ESTATE is AMENDED as follows:

Any municipal and/or Home Owner Association (HOA) certification(s), requirement(s), etc. are the cost and/or responsibility of the buyer. This includes but is not limited to: dye tests, occupancy inspections, permits, zoning certifications, resale certificates, utility meter and/or meter interface unit installation, etc. Buyer will order **and** pay for the needed municipal/HOA certification(s), permit(s), inspection(s), etc. Buyer agrees to make any and all necessary corrections that are required as a result of municipal/HOA certification(s), requirement(s), etc. at Buyer's sole expense **after closing** including but not limited to the cost of any needed re-inspection(s). Buyer is responsible to obtain final utility readings and/or final bills as necessary or required including a bill history. Any delays in closing resulting from the Buyer's failure to perform any of the above obligation(s) in a timely manner may cause Buyer to be changed a per diem from the original closing date and/or cancellation of contract and/or loss of earnest money deposit.

Buyer is purchasing the property in its present and as is condition with no warranties expressed or implied by Priority Realty, LLC, its broker, agents or employees, the Seller or the Seller's agents or employees. Buyer will hold harmless these parties for any claims, losses, damages or liabilities which Buyer or Buyer's successors may incur as a result of any condition(s) or defect(s) which may now or hereafter exist with respect to Property. Property has never been inspected nor inhabited by the Seller. Any entity that enjoins Priority Realty, LLC, its broker, agents or employees, the Seller or the Seller's agents or employees in litigation for any issue arising out of property condition agrees that the enjoined party's attorney's fees and costs will be paid by the entity enjoining the party.

Buyer acknowledges that Buyer has viewed the property prior to submitting his offer. For the purposes of this agreement, viewing date is considered to be the day the offer has been submitted to the Seller/Seller's agent. Buyer acknowledges the as-is condition of the property at the time of inspection. Any change(s) in property condition after Buyer's initial viewing shall be communicated in writing to the opposite party by the party identifying the change(s) in property condition.

Buyer is responsible for removal of any personal property including but not limited to vehicles, trash, debris, etc. from the property (if necessary) at Buyer's sole expense **after** closing. Seller, seller's agents, brokers, employees, etc. make no warranty as to condition or ownership of any personal property which remains in the home after closing. Seller MAY remove personals prior to closing.


Seller will not purchase a home warranty for Buyer unless specifically agreed to in writing in the Seller's addendum, if any or otherwise in the Agreement of Sale under Special Clauses. Seller will not pay any administration, other fee or additional commission on behalf of the Selling Agent. No commission and/or broker fee(s) are due and payable until the property closes and funds.

The real estate taxes for the property are estimated. Assessment and tax figures can vary. This information was provided by the third parties and is not warranted. The lot size is approximated from information provided in County tax records and is not warranted. Buyer is responsible for verifying this information. Seller may not/does not possess mineral rights or have knowledge of same.

Buyer understands that utilities will not be turned on (unless already on) for any inspections. If Buyer wishes to have utilities on, they may be turn in Buyer's name and at Buyer's sole expense. Buyer must notify Priority Realty in writing of utility activation request. Buyer may be required to pay the cost of de-winterization and/or re-winterization prior to activating water service. Buyer must notify listing office within 1 (one) business day once inspections are complete so the property may be re-winterized. Buyer is responsible for any unreasonable damage that may occur for having said utilities turned on; including lack of notification of inspection completion.

This addendum shall supersede any language to the contrary in the Agreement of Sale but shall not supersede any language to the contrary in any of the seller's addendum(s) if any. **This addendum shall survive closing.**

All parties acknowledge and accept by signing below.

Buyer's Signature	Date	Seller's Signature	Date
_____	_____	_____	_____
_____	_____	_____	_____
Buyer's Agent Signature	Date:	Listing Agent	Date
_____	_____		_____
_____	_____	_____	_____

BUYER SIDE CLOSING RESPONSIBILITIES

Title work and municipal requirements (occupancy inspection, dye tests, etc.) are recommended to be ordered immediately upon notification of offer terms acceptance. Lien letters, final utility readings, dye tests, municipal inspections, HOA docs, etc. are the buyer's responsibility to order and pay for. Failure to complete these items timely may not be a valid reason to extend any timeframes or waive per diem. Please work with a title company that understands this urgency and these requirements.

All timeframes begin when the Seller executes the complete contract package. Do not schedule buyer inspections for dates prior to contract execution.

Any lienable items requiring payment from the seller require a bill/invoice from the company requesting payment and back-up documentation and/or bill history for those items. Neither the seller nor Priority Realty, LLC will pay any estimated expenses. Final bills are necessary so please plan accordingly.

Most Sellers have their own Closing Agency and/or closing instructions. These are generally provided in the executed contract package. Please review the contract package for these items or request them from our office. These instructions must be followed to the letter. Any deviation may create a delay in closing and can cost the Buyer a per diem assessment if the closing date is not met.

Our office will provide the Buyer's Closing Company with our Commission Statement. If there is a discrepancy between our Commission Statement, the Seller's Closing Agent instructions and/or the Selling Agency's Commission Statement, this must be addressed immediately. Priority Realty, LLC has many different commission agreements with its clients. Our commission is NOT shown in the MLS and has no bearing on the selling side of the transaction. Our commission may be more, less or equal to the Selling Agency commission.

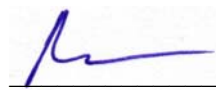
A copy of the HUD/CD MUST be sent to our office PRIOR to submission to the Seller for approval. There are instances where certain expenses will be paid on the HUD/CD. As the Selling Agent, if the property closes and these items are not paid on the HUD/CD because we were not provided a preliminary HUD/CD; you, as the selling agent and/or your company will be charged for any and all amounts not collectable by Priority Realty, LLC. This document is a contract between you, your company as their agent and Priority Realty, LLC. Priority Realty, LLC may seek legal or other action to enforce this provision if necessary. This document shall survive closing.

There will NOT be a representative of Priority Realty, LLC present at the closing. There will also NOT be a representative of the Seller to execute any documents at closing. All documents need to be prepared and forwarded to the Seller's Closing Agent as many as SEVEN (7) days prior to closing. Upon approval of the closing package, please be sure to coordinate the date/time/location with the Seller's Closing Agent and our office.

-DO NOT CALL the afternoon before expected closing date and say "we are ready to close, is 4 o'clock okay for you?"

Buyer's Agent Signature

Date



Robert G. Moncavage

Date

Broker/owner; Priority Realty, LLC

Property Address

ADDENDUM # 1 TO CONTRACT OF SALE (Single-Family Real Estate Disposition)

For purpose of this addendum (Addendum) the Seller is:

- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps)
- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps), as Trustee for

This Addendum is to be made a part of the agreement (Contract of Sale) dated _____ 20____, between Seller and _____ (Purchaser), for the property located at: _____ (the "Property").

IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS IN WHOLE OR IN PART WITH THE TERMS OF THE CONTRACT OF SALE, OR ANY OTHER ADDENDA, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

1. **CONDITIONS OF SALE:** Purchaser acknowledges that Seller obtained the Property by foreclosure, deed in lieu of foreclosure, forfeiture or similar process. The Contract of Sale is subject to each of the following conditions: (i) final acquisition of the Property by Seller; (ii) the ability of Seller to provide insurable title; (iii) the mortgage insurance company's approval of the sale; and (iv) if required by Seller, the repurchase of the Property by the prior mortgage servicer from Seller. In the event any of these conditions are applicable, at Seller's option and at Seller's sole discretion, Seller may notify Purchaser that the Contract of Sale is canceled, the deposit shall be returned to Purchaser and Seller shall have no further obligation to sell or convey the Property to Purchaser.

IT IS EXPRESSLY AGREED AND ACKNOWLEDGED BY THE PURCHASER THAT ANY EXPRESS REPRESENTATIONS, WARRANTIES, OR STATEMENTS CONTAINED IN THE CONTRACT OF SALE, WHETHER REFERRING TO THE CONDITION OF THE PROPERTY, OR WHETHER REFERRING TO THE EXISTENCE OF FEATURES, FUNCTIONS OR SERVICES RELATING TO OR SERVING THE PROPERTY (INCLUDING, BY WAY OF EXAMPLE ONLY, WHETHER THE PROPERTY HAS PARTICULAR TYPES OF UTILITY SERVICES OR INGRESS/EGRESS RIGHTS), ARE SPECIFICALLY WAIVED, DISCLAIMED, AND RENDERED NULL AND VOID.

_____(Purchaser's Initials) **IN THE EVENT THAT THE CONTRACT OF SALE CONTAINS ANY EXPRESS PROVISIONS IN WHICH OPTIONAL LANGUAGE EXISTS FOR SELECTION BY THE PARTIES (INCLUDING, BY WAY OF EXAMPLE ONLY, BOXES TO BE CHECKED), THE PURCHASER EXPRESSLY AGREES AND ACKNOWLEDGES THAT THE REPRESENTATIONS, WARRANTIES, OR STATEMENTS CONTAINED IN SUCH LANGUAGE (EVEN IF CHECKED, SIGNED, INITIALED OR OTHERWISE MARKED SIGNIFYING AGREEMENT WITH OR ACCEPTANCE OF THE LANGUAGE) ARE SPECIFICALLY WAIVED, DISCLAIMED, AND RENDERED NULL AND VOID.**

IT IS THE EXPRESS INTENTION OF THE SELLER AND THE PURCHASER THAT THE ONLY WARRANTIES, REPRESENTATIONS, OR STATEMENTS (IF ANY) MADE BY THE SELLER AND RELIED UPON BY THE PURCHASER ARE THOSE THAT MAY BE CONTAINED IN THIS ADDENDUM.

Seller's Initials _____

Buyer's Initials _____

2. **TITLE:** The extent of Seller's obligation with respect to title shall be to provide insurable title to Purchaser. Title to the Property may run from the owner of record, or from Seller by act of power of attorney on behalf of the recorded owner. Conveyance will be by deed that covenants that grantor grants only that title which grantor may have and that grantor will only defend title against persons claiming by, through or under grantor. Such deed may be known as a SPECIAL WARRANTY, LIMITED WARRANTY, QUIT CLAIM OR BARGAIN AND SALE DEED, or other local form of Deed acceptable to the recording agent and Seller. The agent responsible for settling the transaction, disbursing funds and closing escrow ("Closing Agent") is responsible for providing or obtaining the legal description of the property. The legal description shall be the same legal description as contained in the foreclosure deed or the deed-in-lieu of foreclosure, as applicable, or any revision thereto.
3. **UNWRITTEN STATEMENTS:** Unwritten or oral statements, representations, promises, negotiations, or agreements shall not be considered to be part of the Contract of Sale unless incorporated in writing into the Contract of Sale.
4. **TIME IS OF THE ESSENCE: CLOSING.** IT IS AGREED THAT TIME IS OF THE ESSENCE WITH RESPECT TO ALL DATES SPECIFIED IN THE CONTRACT OF SALE, THIS ADDENDUM AND ANY ADDENDA OR AMENDMENTS THERETO. Settlement/closing shall be held in the offices of a Closing Agent selected by Purchaser, in accordance with the provisions of paragraph 17 herein, unless otherwise required by applicable law. Closing shall occur on or before _____, 20__, or within seven (7) calendar days of Purchaser's loan approval, whichever is earlier, unless the closing date is extended in writing signed by the Seller and Purchaser. Purchaser shall deliver the earnest money deposit in certified funds to the real estate broker listing the property for sale pursuant to a separate agreement with Seller ("Broker"). The earnest money deposit shall be held by the Closing Agent in escrow or Broker in a noninterest bearing account. At closing, Purchaser must pay any amounts due by cashier's checks drawn on a United States regulated financial institution authorized to engage in banking activities within the United States made payable to the Closing Agent or by wire transfer from a United States regulated financial institution authorized to engage in banking activities within the United States consistent with Paragraph 14. The sale may not be closed in escrow without the prior written consent of Seller. In the event closing does not occur by the closing date specified in this Section 4, or any written extension, this Agreement is automatically terminated. Upon such termination Seller, without further communication with Purchaser and in Seller's sole discretion, will have the right to instruct the Closing Agent to cancel the settlement and the Seller shall be entitled to the remedy described in paragraph 19 of this Addendum. In the event Seller agrees to Purchaser's request for a written extension of this Agreement, Purchaser agrees to pay to Seller a per diem of \$ 100.00 _____ per calendar day through and including the new closing date specified in the written extension. Purchaser agrees that it will not provide any instructions to the Closing Agent that are inconsistent with this Addendum and, in that event Purchaser does so, such instructions are null and void ab initio.
5. **PRORATIONS:** Seller and Purchaser agree to prorate the following expenses as of closing: utility charges, water and sewer charges, fuel/heating oil (if applicable) real estate taxes and assessments, common area charges, co-operative fees, maintenance fees, and rents, if any. Rental payments will be prorated outside and after closing, and will not be reflected on the settlement statement. Prorated rental payments are to be returned to the tenant from whom they were received, once requested, and not returned to Purchaser. Payment of homeowner's association or special assessments shall be paid current and prorated between Purchaser and Seller as of the closing date with payments not yet due and owing to be assumed by Purchaser without credit toward purchase price. HOWEVER, Seller shall not be responsible for homeowner's association assessments that accrued prior to the date Seller acquired the Property. In determining prorations, the day of closing shall be charged to Purchaser. All prorations at closing, including prorations for taxes, are final. If the property is a single-family property with no more than one dwelling unit, then rents (if any) shall not be prorated.

Seller's Initials _____

Buyer's Initials _____

6. **OCCUPANCY STATUS:** In the event the Property is occupied by tenant(s), Seller makes no representations regarding (i) compliance of the Property with any rent control or registration laws, (ii) the existence of any written leases, (iii) the remaining term of any tenancy, (iv) the amount of monthly rent, and (v) whether the tenant(s) are current in payment of rent. In addition, Seller does not hold any security deposits for any tenant(s) and shall not transfer any security deposits to Purchaser, and after closing Purchaser shall be solely responsible for the return of any security deposits (and interest thereon, if applicable) upon the demand of any tenant(s). Seller does not warrant that the Property will be vacant by the date of closing and shall not be responsible for any eviction expenses incurred by Purchaser before or after closing. Seller does not warrant that the current tenant, if any, will continue to occupy the Property after closing or enter into a new lease agreement with Purchaser. Purchaser agrees to be solely responsible for all matters relating to occupancy of the Property after closing.
7. **DELIVERY OF POSSESSION:** Seller shall deliver possession of Property to Purchaser at closing and funding of sale, or upon successful completion of closing and settlement in accordance with local practice and custom. Purchaser may not occupy the Property prior to closing and funding. In the event Purchaser alters the Property or occupies the Property or permits it to be occupied by any other person prior to closing, then Purchaser shall be in default of the Contract of Sale and Seller may terminate the Contract of Sale and Purchaser shall be liable to Seller for damages caused by such alteration or occupation of the Property prior to closing. Purchaser's deposit and rights to any improvements to the Property shall be forfeited to Seller and Purchaser hereby waives any and all claims for damages or compensation for improvements made by Purchaser to the Property including but not limited to any claims based on unjust enrichment. The remedies available to Seller described in this paragraph shall not be limited by the remedies described in paragraph 19 of this Addendum.
8. **CONDITION OF PROPERTY:**
- a. **PURCHASER UNDERSTANDS THAT SELLER OBTAINED THE PROPERTY BY FORECLOSURE, DEED IN LIEU OF FORECLOSURE, FORFEITURE OR SIMILAR PROCESS AND CONSEQUENTLY, SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE REGARDING THE CONDITION OF THE PROPERTY.** Purchaser accepts the Property in "AS IS" condition at the date of the Contract of Sale, including, without limitation, any defects or environmental conditions affecting the Property, known or unknown. To the extent Seller makes any repairs or upgrades to the condition of the Property, Purchaser accepts such items in "AS IS" condition at the date of closing.
- b. **PURCHASER ACKNOWLEDGES THAT NEITHER SELLER NOR ITS AGENTS HAVE MADE ANY WARRANTIES, IMPLIED OR EXPRESSED, RELATING TO THE CONDITION OF THE PROPERTY.** Seller and its agents shall not be responsible for the repair, replacement or modification of any deficiencies, malfunctions or mechanical defects in the material, workmanship and mechanical components of the appurtenant structures and improvements prior or subsequent to closing. Seller makes no representation or warranty as to whether the Property is connected to or served by a public sewer, a water supply or legal ingress/egress access. In the event that the Contract of Sale contains a statement or representation to the effect that the Property is connected to or served by a public sewer, water supply or ingress/egress access, notwithstanding such statement or representation the Purchaser acknowledges and agrees that such statement or representation is specifically waived, disclaimed, and rendered null and void. Items of personal property are not included in this sale. Seller makes no representation or warranty as to the condition of personal property, title to personal property or whether any personal property is encumbered by liens. Purchaser agrees that Seller shall have no liability for any claim or losses Purchaser or Purchaser's successors and/or assigns may incur as a result of any condition or other defect which may now or hereafter exist with respect to the Property.

Seller's Initials _____

Buyer's Initials _____

- c. Purchaser understands and acknowledges that neither Seller nor its agents and contractors are expert in the detection or remediation of mold, mildew, fungus, high-sulfur content building materials, such as drywall, illegal or industrial chemicals and substances and associated environmental conditions or related adverse health effects. Purchaser is encouraged, in conjunction with Purchaser's rights to inspect the Property in Section 9 of this Addendum, to inspect the Property for mold, mildew, fungus, high-sulfur content building materials, illegal or industrial chemicals and substances and associated environmental conditions, including water leaks from plumbing and sewage pipes and fixtures, and moisture penetration in floors, walls, ceilings; corrosion or deterioration of air handling equipment, electrical wiring, and other metal components; and structural components of the Property. Purchaser understands and acknowledges that, in its efforts to put the Property in marketable condition, Seller may have hired or may hire contractors to make repairs and improve the appearance of the Property by, among other things, painting walls, replacing floor coverings, and cleaning interior and exterior surfaces. Purchaser agrees that neither Seller nor its agents shall be liable for any claims or losses that Purchaser, Purchaser's family members, Purchaser's successors and/or assigns, or persons occupying the Property as guests, tenants or licensees of Purchaser may incur as a result of the discovery, after the delivery of possession of the Property to Purchaser, of mold, mildew, fungus, high-sulfur content building materials or associated environmental conditions regardless of whether those conditions existed prior to the delivery of possession or developed thereafter.
- d. Purchaser understands and agrees that the Property may contain local or state building code violations as well as violations of condominium association, homeowner's association or other community association rules, restrictions, covenants and bylaws that may or may not have resulted in fines or assessments. Seller disclaims knowledge or liability for any such violations, fines or assessments and Purchaser agrees to accept the Property with all such violations, fines or assessments except to the extent that such violations, fines or assessments would conflict with Seller's obligations regarding title under paragraph 2.

9. INSPECTIONS AND DUE DILIGENCE RIGHT; CONTRACT CANCELLATION RIGHTS: Seller authorizes Purchaser, at Purchaser's expense, _____ (Purchaser's Initials) to make a complete inspection of the Property and conduct all desired, non-destructive tests, surveys, appraisals, investigations, examinations and inspections of the Property and title to the Property as Purchaser deems appropriate within ten (10) calendar days from the final execution date (Seller's acceptance date) of the Contract of Sale. Purchaser may obtain an appraisal or survey of the Property, order a search of title documents, homeowner's or condominium association records and other governmental and non-governmental records related to the Property, and conduct due diligence as to the insurability of the Property and types and amounts of insurance required or desired for the Property (e.g., flood, hazard, title, etc.). Purchaser should obtain all inspections and conduct all due diligence necessary to fully inform Purchaser if the Property is in a physical and legal condition materially different than when Purchaser made the offer to purchase the Property by executing the Contract of Sale.

_____ (Purchaser's Initials) Purchaser acknowledges that it is Purchaser's sole responsibility to obtain inspection reports by qualified professionals with respect to the physical and legal status of the Property, to determine the presence of any environmental conditions affecting the Property and/or any toxic or hazardous substances on the Property which would make it uninhabitable or dangerous to the health of the occupants, or other factors regarding the Property about which Purchaser may be concerned. Purchaser shall provide Seller with reasonable notice of any inspections. In the event the inspection reveals material deficiencies that were not known to Purchaser at the time the Purchaser signed the Contract of Sale, Purchaser may cancel the Contract of Sale and the deposit paid by Purchaser shall be returned to Purchaser. To cancel in such event, Purchaser must, within twelve (12) calendar days from the final execution date of the Contract of Sale, provide Seller with written notice of cancellation.

PURCHASER'S FAILURE TO FURNISH WRITTEN NOTICE OF CANCELLATION WITHIN THE TWELVE (12) DAY TIME PERIOD SHALL CONCLUSIVELY BE DEEMED PURCHASER'S ELECTION TO ACCEPT THE CONDITION OF THE PROPERTY AND TO PROCEED WITH THE TRANSACTION.

Seller's Initials _____

Buyer's Initials _____

- 10. COMPLIANCE CERTIFICATES:** Any obligation of Seller to obtain a compliance certificate relating to the Property (such as a certification relating to smoke detectors) shall not apply in the event the Property is not in habitable condition, unless otherwise required by law.
- 11. TERMITES/WOOD DESTROYING INSECTS:** Notwithstanding any provision to the contrary in the Contract of Sale, Seller shall not be required to repair or treat any damage caused by termites or other wood destroying insects unless Seller specifically agrees to do so as indicated below.
- a. ☐ Seller shall not repair or treat any such damage caused by termites or wood destroying insects.
- b. ☐ Seller agrees to limited repairs and/or treatment of damage caused by termites or other wood destroying insects.
- THE PARTIES AGREE THAT THE COST TO SELLER FOR SUCH REPAIRS AND/OR TREATMENTS SHALL NOT EXCEED \$ _____. If the cost for any such repairs exceeds such amount, then
- (i) Purchaser shall be responsible for the cost and expense of any amounts exceeding such termite repair limit, or (ii) Seller shall have the right to cancel the Contract of Sale and the deposit paid by Purchaser shall be returned to Purchaser.
- 12. REPAIRS:** Seller's responsibility for any repairs required by Purchaser's prospective lender shall not exceed \$ _____. If the cost for any such repairs exceeds such amount, then (i) Purchaser shall be responsible for the cost and expense of any amounts exceeding such repair limit, or (ii) Seller shall have the right to cancel the Contract of Sale and return the deposit paid by Purchaser. PURCHASER SHALL NOT HAVE THE RIGHT TO MAKE ANY REPAIRS TO THE PROPERTY PRIOR TO CLOSING
- 13. INDEMNIFICATION:** Purchaser agrees to indemnify Seller and fully protect, defend and hold Seller, its tenants, agents, employees and contractors, harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of every kind and nature that may be sustained by or made against Seller or any damage to the Property of any adjoining property, or any injury to Purchaser or any other persons that may result from or arise out of inspections made by Purchaser or its agents, employees and contractors prior to closing.
- 14. FINANCING AND PAYMENT AT CLOSING:** The type of financing shall be as follows (check paragraph a or b below as applicable):
- a. ☐ Purchaser shall apply for financing from a third party financial institution in the form of a first mortgage secured by the Property in the amount of \$ _____. Purchaser agrees to accept a prevailing rate of interest at the time of closing. Also check one of the following as applicable:
- ☐ Conventional, ☐ FHA, ☐ VA ☐ Other: _____
- b. ☐ Purchaser shall not use any third-party financing to purchase the Property. Purchaser agrees that it will wire the closing funds from a United States regulated financial institution authorized to engage in banking activities within the United States or provide a cashier's check drawn on a United States regulated financial institution authorized to engage in banking activities within the United States. Funds from any third parties will not be accepted by the Closing Agent nor will hard currency of any kind. If there is an underestimation of the amount necessary to close, the Purchaser may pay the difference using a personal check for no more than \$500.00.

Seller's Initials _____

Buyer's Initials _____

- 15. APPLICATION FOR FINANCING:** If this sale is being financed, Purchaser shall have five (5) business days from the final execution date of the Contract of Sale to make loan application. The Contract of Sale may be canceled by Seller in the event Purchaser is not "prequalified" by a lender within seven (7) business days from the final execution date of the Contract of Sale.
- 16. NOT CONTINGENT UPON PURCHASER'S SALE OF REAL ESTATE:** Notwithstanding any other provision of the Contract of Sale (including, if applicable, any financing contingency), in no event shall this Agreement be contingent upon the ability of the Purchaser to sell or close other real estate owned by Purchaser.
- 17. CLOSING COSTS/CONCESSIONS:**
- a. REGARDLESS OF LOCAL CUSTOM, REQUIREMENTS OR PRACTICE, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OF SALE OR ANY OTHER ADDENDA, SELLER WILL NOT PAY ANY FEES, COSTS OR EXPENSES NOT EXPRESSLY PROVIDED FOR IN THIS ADDENDUM.
 - b. Purchaser shall pay all of a purchaser's customary closing costs (which shall include lender charges, survey and any FHA/VA non-allowables), except for Seller's contribution toward such closing costs. The amount to be contributed by Seller toward closing costs shall not exceed \$ _____. Seller's contribution may be applied to any or all of the following actual expenses: FHA or VA non-allowables, non-recurring closing costs, discount points, loan origination fees, other customary and reasonable lender fees and pre-paid expenses, survey, and appraisal. In the event the total of closing costs are less than the amount of Seller's contribution toward closing costs, then Seller's contribution shall be limited to the total of such actual closing costs. In any event, Seller will not be obligated to make a contribution toward any closing costs if Purchaser does not pursue and obtain the financing specified in Section 14 of this Addendum.
 - c. The parties agree to the following with respect to the selection of a Closing Agent and title insurance agent:
 1. Seller hereby notifies Purchaser that Purchaser has the right to make an independent selection of the Closing Agent and title insurance agent used in connection with the sale of the Property
 2. If Purchaser agrees to use the Closing Agent recommended by Seller, then Seller agrees to pay for an owner's policy of title insurance from a title insurance agent of Seller's choosing. Seller will not be obligated to pay any portion of the cost of an owner's policy of title insurance if (i) the Purchaser does not select the Closing Agent recommended by Seller; (ii) it is prohibited by applicable local, state, or federal law or (iii) the Purchaser's lender, if any, prohibits it. Seller will not give the cash equivalent of the owner's policy premium to the Purchaser under any circumstances.
 3. Purchaser acknowledges that Purchaser is not required by Seller to purchase either an owner's or lender's policy of title insurance. However, the lender, if any, from which Purchaser obtains a mortgage may impose a requirement to purchase a lender's policy of title insurance upon Purchaser. Purchaser agrees it will contact its lender, if any, for more information if Purchaser has any questions regarding the obligation to purchase a lender's policy of title insurance.

Seller's Initials _____

Buyer's Initials _____

4. Purchaser acknowledges the notice and information provided in this section 17.c,3, and makes the following selection (Purchaser must choose one):

☐ Selection of a Closing Agent not recommended by Seller. Purchaser selects the following company to act as Closing Agent: _____ located at _____; email: _____; phone: (____) _____. The Purchaser will be responsible for payment of the owner's policy of title insurance, if any.

☐ Selection of a company recommended by Seller. Purchaser selects the following company, which has been recommended by Seller, to be the Closing Agent in connection with Purchaser's purchase of the Property: _____. The Seller will pay for the owner's policy of title insurance. Purchaser shall be responsible to purchase and pay for a lender's policy of title insurance if Purchaser so chooses or is required to purchase one.

18. **TRANSFER TAXES/TAX STAMPS:** Seller is exempt from payment of state taxes and tax stamps on deeds, mortgages and notes (12 U.S.C 1452(e)) and if payment of such state taxes or stamps is necessary to record the deed or mortgage, the tax will be paid by Purchaser and will not be considered part of closing costs.
19. **DEFAULT/REMEDIES:** In the event that either party fails or refuses to proceed to settlement for any reason except for reasons permitted or authorized by the Contract of Sale or this or other addenda), Purchaser and Seller acknowledge and agree that the economic consequences of such action by either party, considered at the time of contract formation, are speculative and uncertain. In such event, Purchaser and Seller agree that the recovery of liquidated damages is a suitable and preferable alternative to remedies that might otherwise be available at law or in equity. Therefore, in the event that Seller fails or refuses to proceed to settlement in violation of the Contract of Sale, Purchaser's sole and exclusive remedy shall be the recovery of liquidated damages in the amount of one thousand dollars (\$1,000.00). Seller shall promptly tender said sum upon demand from Purchaser. In the event that Purchaser fails or refuses to proceed to settlement in violation of the Contract of Sale, Seller's sole and exclusive remedy shall be the recovery of liquidated damages in the amount of one thousand dollars (\$1,000.00). Purchaser shall promptly tender said sum upon demand from Seller. Purchaser and Seller each agree to accept the specified liquidated damages as full and complete compensation for any and all claims, whether founded upon contract, tort, statute, or otherwise, that may arise in connection with the failure or refusal of the other party to proceed to settlement in violation of the Contract of Sale, and Purchaser and Seller expressly waive and disclaim any and all further claims and remedies including but not limited to injunctive relief, specific performance, the filing of a notice of lis pendens, and claims for monetary compensation including but not limited to benefit-of-the-bargain damages, lost profits, lost rental income, expenses incurred in preparing for settlement, and all other costs, expenses, compensation and damages of whatever nature whether founded upon law or in equity.
20. **ASSIGNMENT:** Purchaser may not assign this Contract of Sale without the express written consent of Seller. Any attempted assignment by Purchaser shall be void and shall constitute a material breach of the Contract of Sale.

Seller's Initials _____

Buyer's Initials _____

21. PURCHASER'S REPRESENTATIONS: Purchaser represents that:

- a. Purchaser ☐ intends ☐ does not intend to occupy the Property as Purchaser's primary residence.
- b. Purchaser ☐ is ☐ is not related by blood or marriage to the previous owner of the Property.
- c. Purchaser ☐ is ☐ is not currently a HomeSteps Supplier, which includes employees, (as defined in "HomeSteps' Supplier Code of Conduct") approved to perform paid services for HomeSteps or a family member of a HomeSteps Supplier
- d. FREDDIE MAC EMPLOYEES AND THEIR IMMEDIATE HOUSEHOLD MEMBERS, ARE PROHIBITED FROM PURCHASING HOMESTEPS PROPERTIES. Purchaser or a member of Purchaser's immediate house ☐ is ☐ is not an employee of Freddie Mac. (An immediate household member means a member of the employee's family who currently resides in the employee's home, a non-resident spouse, and a non-resident minor child or dependent for whom the employee has responsibility.)
- e. If Purchaser is a HomeSteps Supplier, or an employee and/or immediate family member of a HomeSteps Supplier, Purchaser represents that Purchaser has not accessed HomeSteps' information including the Property's valuation and/or analysis, provided ancillary services such as "trash-outs" and maintenance (including but not limited to lawn care or repairs to the Property), or participated in the management of the Property at any time during the entire property management and sale process; and Purchaser represents that Purchaser will not engage in any such activities. Purchaser further represents that Purchaser has disclosed to HomeSteps that it is a Supplier and/or family member of a HomeSteps Supplier, and obtained written consent, which may or may not be provided in HomeSteps' sole discretion, to purchase the Property.
- f. Purchaser further agrees that it will not enter into any contract for deed or lease with option to purchase agreements regarding the resale of the Property, unless Purchaser is a non-profit organization or has obtained Freddie Mac's prior written consent. Purchaser acknowledges that, in addition to any other remedy available to Freddie Mac, any violation of this agreement may result in Freddie Mac refusing to sell additional REO properties to Purchaser and/or its affiliates.

PURCHASER ACKNOWLEDGES THAT SELLER WILL RELY ON THE FOREGOING REPRESENTATIONS, AND ANY MISREPRESENTATION SHALL CONSTITUTE A MATERIAL BREACH OF THE CONTRACT OF SALE

- 22. ACCEPTANCE OF DEED/MERGER:** The acceptance of a deed by Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of the Contract of Sale. Upon the acceptance of a deed the Contract of Sale shall be deemed to be merged into the deed and the Seller's obligations to Purchaser shall be governed solely by the terms of the deed and shall be a bar against any action by the Purchaser against the Seller for any claim based upon the Contract of Sale.

Seller's Initials _____

Buyer's Initials _____

23. REAL ESTATE COMMISSION: The real estate commission shall be paid to the Broker pursuant to the terms of a separate agreement between Broker and Seller as follows (check either "a" or "b" below):

- a. ☐ The real estate commission due the Broker, subject to any existing referral agreement, shall be _____% of the contract sale price. **OR**
- b. ☐ The real estate commission due the Broker, subject to any existing referral agreement, shall be the minimum flat fee of \$ _____.

The Closing Agent is authorized and directed to pay Broker's fee, subject to any existing referral agreement, from the sale proceeds at closing. No fee shall be paid to Broker unless closing is completed.

24. HOMEOWNERS ASSOCIATION ASSESSMENTS: Seller shall not be responsible for any homeowner's or condominium association assessments that accrued prior to the date Seller acquired the Property.

25. NOTICES: Any notices required to be given hereunder shall be deemed delivered when actually received when delivered by hand or overnight delivery. Such notices shall be deemed delivered five days after mailing when mailed by first class mail, postage prepaid. Notices sent by fax or electronic mail shall be deemed delivered when received with confirmation of successful transmission to the appropriate designated fax number or e-mail address during regular business hours (Monday through Friday from 9:00 am to 5:00 p.m. recipient's local time). Fax transmissions and e-mail received outside regular business hours shall be deemed delivered the next business day. All notices to Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's Broker. All notices to Purchaser will be deemed sent or delivered to Purchaser when sent or delivered to Purchaser or Purchaser's agent or attorney. All notices or disclosures that may be delivered by Seller may be delivered by Seller's Broker.

26. KEYS: Purchaser acknowledges that the Property may be on a master key system to enable access by Seller and its suppliers. Purchaser acknowledges that Seller recommends that Purchaser re-key the Property after closing.

27. ATTORNEY REVIEW: Purchaser acknowledges that Purchaser has had an opportunity to consult with legal counsel regarding the Contract of Sale and all addenda, including this Addendum. Accordingly, the Parties agree that the terms of the Contract of Sale and this Addendum are not to be construed against any party because that party drafted the document or construed in favor of any party because that party failed to understand the legal effect of the provisions of the Contract of Sale or this Addendum.

28. SEVERABILITY: The invalidity or unenforceability of any provision of this Addendum shall not affect the validity or enforceability of any other provision of this Addendum, all of which shall remain in full force and effect.

29. ALTERNATIVE DISPUTE RESOLUTION: In the event that the Contract of Sale to which this Addendum is made a part contains a form of alternative dispute resolution other than through resort to legal action, if that form of alternative dispute resolution seeks to impose a binding method of resolution or settlement then Purchaser and Seller agree that such alternative dispute resolution term shall be of no force or effect, and is hereby revoked.

30. LEGAL FEES: In the event that the Contract of Sale to which this Addendum is made a part contains a provision that in the event of recourse to legal action to enforce the Contract of Sale the prevailing party shall be entitled to recover attorney's fees, then Purchaser and Seller agree that such attorney's fees provision shall be of no force or effect, and is hereby revoked. Purchaser and Seller agree that each party shall be responsible for its own attorney's fees in any action to enforce the provisions of the Contract of Sale.

Seller's Initials _____

Buyer's Initials _____

31. ADDITIONAL CONDITIONS:

THE UNDERSIGNED APPROVE AND ACCEPT THIS ADDENDUM AND ACKNOWLEDGE THIS ADDENDUM TO BE A PART OF THE CONTRACT OF SALE. IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS WITH THE TERMS OF THE CONTRACT OF SALE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

SELLER:

FEDERAL HOME LOAN MORTGAGE CORPORATION

BY: _____

TITLE: _____

DATE: _____

PURCHASER(S):

BY: _____

BY: _____

DATE: _____



This is a Sample document. Use the document attached to the MLS for the actual form.

Asset #:
Property Address:

PROPERTY CONDITION ADDENDUM AND RELEASE

For purpose of this addendum (Addendum) the Seller is:

- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps)
- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps), as Trustee for

This Property Condition Addendum and Release (“Addendum”) is made a part of the contract of purchase and sale (“Contract”) dated _____, 20____, between Seller and _____ (“Buyer”) for the property located at:

_____, (“Property”), and to the extent that any provision of this Addendum conflicts in whole or in part with any provision of the Contract, the provisions of this Addendum shall control.

Buyer acknowledges that Seller, or Seller’s agents, contractors or representatives, have provided Buyer the following reports or other documents (“Reports”) containing information regarding the condition of the Property:

INITIALS	INSPECTION TYPE /DISCLOSURE INFORMATION	DATE	DATE COMMUNICATED TO BUYER
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[illegible]

Buyer acknowledges and agrees that the Reports and the disclosures provided herein have been provided for informational purposes to permit Buyer to take such further action as Buyer deems appropriate with respect to inspecting or investigating the condition of the Property. Buyer acknowledges and agrees that Seller, and Seller's agents, contractors or representatives, have not made any representation or warranty concerning: (i) the accuracy of the information contained in the Reports; (ii) the completeness of the information contained in the Reports; (iii) the qualifications or competence of the persons making the Reports; or (iv) that the Seller took any steps to remediate the condition(s) or the sufficiency of any such remediation.

INITIALS

- _____ ☐ Mold, mildew or fungus: If this box is checked and/or one or more of the Reports noted herein identify mold, mildew or fungus as a potential condition, Seller discloses and Buyer acknowledges that one or more of the Reports may indicate that one or more species of mold, mildew or microscopic fungi may be, or may have been, present within the dwelling or other structures or improvements located at the Property.
- _____ ☐ High-sulfur content building materials (Contaminated Drywall): If this box is checked, and/or one or more of the Reports noted herein identify contaminated drywall as a potential condition, Seller discloses and Buyer acknowledges that contaminated drywall may be, or may have been, present within the dwelling or other structures or improvements located at the Property.
- _____ ☐ Illegal or industrial chemicals and substances associated with environmental conditions (Methamphetamines, Asbestos, etc.): If this box is checked, and/or one or more of the Reports noted herein identify illegal or industrial chemicals as a potential condition, Seller discloses and Buyer acknowledges that illegal or industrial chemicals may be, or may have been, present within the dwelling or other structures or improvements located at the Property.
- _____ ☐ Other: _____

The condition(s) noted above may pose health/safety risks and by checking the applicable box(s), Buyer represents that he/she/they is/have been informed that the Property may contain the condition(s) listed above. Buyer acknowledges that the Property is being purchased in its "AS IS" condition, and that Buyer has taken into account the potential condition(s) disclosed herein and the contents of the Reports in agreeing to the purchase price for the Property, and the other terms and conditions of the transaction.



In the event Buyer was provided with this Addendum or one or more of the Reports after the final execution date of the Addendum #1 To Contract of Sale (Single-Family Real Estate Disposition) ("Addendum #1"), then Buyer shall be entitled to a further inspection and cancellation period as described in paragraph 9 of Addendum #1. Buyer shall have an additional period of ten (10) calendar days from the date of this Addendum to make the inspection, and shall have an additional period of twelve (12) calendar days from the date of this Addendum to cancel the Contract, and for that limited purpose the terms of paragraph 9 of Addendum #1 are incorporated herein by reference as if fully set forth in writing except as amended to conform to the intent of this Addendum.

The further inspection and cancellation period shall apply with respect only to the subject matter of the condition specified in this Addendum or the Reports, as applicable, provided to Buyer after the final execution of Addendum #1.

Buyer acknowledges and agrees that the information contained in this Addendum or the Reports shall not be considered in any way to constitute representations by Seller of the condition of the Property or whether the Property is in compliance with any applicable federal, state or local government laws or regulations. Buyer, for him/herself, heirs and assigns, tenants, licensees, and on behalf of any and all of Purchaser's minor children, agrees to fully and forever waive, release, discharge and hold harmless Seller, Seller's agents, representatives, employees and contractors, from any and all claims, causes of action, injuries, illnesses, damages, losses, costs or expenses of any kind, whether based upon contract, tort or statutory liability, sustained or arising directly or indirectly from, or in connection with any known or unknown condition of the Property or, if applicable, Seller's, Seller's agent's, representative's, employee's or contractor's attempted remediation of the condition(s).

Seller's Agent Attestation:

Seller's agent (s) acknowledges that they have provided the Seller all documents which would constitute a Report including but not limited to, Inspection Reports, and all disclosures required by applicable law to be signed by the Seller. Seller's agents acknowledges all known Reports and Disclosures are provided herein.

Seller's Agent(s):

By: _____

Date: _____



SELLER:

FEDERAL HOME LOAN
MORTGAGE CORPORATION

By: _____

Title: _____

Date: _____

BUYER(S):

By: ✓ _____

By: ✓ _____

Date: ✓ _____

Sample



Asset #: _____

ADDENDUM TO CONTRACT OF SALE
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Risk Assessment or Inspection Contingency

This Addendum is to be made a part of the agreement (Contract of Sale) dated _____, 20____, between _____ (Seller) and _____ (Purchaser), for the property located at _____.

IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS IN WHOLE OR IN PART WITH THE TERMS OF THE CONTRACT OF SALE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

1. Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

2. Seller's Disclosure. The Seller discloses the following (*check applicable boxes*):

- (a) Presence of lead-based paint and/or lead-based paint hazards (*check (i) or (ii) below*):
- ☐ (i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). _____
- ☐ (ii) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the Seller (*check (i) or (ii) below*):
- ☐ (i) Seller has provided the Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below). _____
- ☐ (ii) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

3. Purchaser's Acknowledgment. Purchaser acknowledges the following (*check applicable boxes*):

- (a) ☐ Purchaser has received copies of all information listed above.
- (b) ☐ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (c) Purchaser has (*check (i) or (ii) below*):
- ☐ (i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards, as stated in Section 5 on the following page;
- or
- ☐ (ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

4. Agent's Acknowledgment (*check box if applicable*):

- ☒ Agent has informed the Seller of the Seller's obligations under 42.U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

5. Risk Assessment or Inspection Contingency

The Contract of Sale is contingent upon a risk assessment or inspection by the Purchaser of the property for the presence of lead-based paint and/or lead-based paint hazards at the Purchaser's expense until 9:00 p.m. on the tenth (10th) calendar day after the date of the Contract of Sale. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet *Protect Your Family From Lead in Your Home* for more information.) The Purchaser is not obligated under the Contract of Sale to purchase the property until the above 10-day deadline has expired. **THIS CONTINGENCY WILL TERMINATE AT THE ABOVE 10-DAY DEADLINE UNLESS THE PURCHASER (OR PURCHASER'S AGENT) DELIVERS TO THE SELLER (OR SELLER'S AGENT) A WRITTEN CONTRACT ADDENDUM LISTING THE SPECIFIC EXISTING DEFICIENCIES AND CORRECTIONS NEEDED, TOGETHER WITH A COPY OF THE INSPECTION AND/OR RISK ASSESSMENT REPORT.**

The Seller may, at the Seller's option, within five (5) calendar days after delivery of the addendum, elect in writing whether to correct the condition(s) prior to settlement. If the Seller will correct the condition, the Seller shall furnish the Purchaser with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the date of the settlement. If the Seller does not notify the Purchaser of the Seller's election to correct the condition within such 5-day period, the Seller is deemed to have elected to not correct the condition. If the Seller does not elect to make the corrections, or if the Seller makes a counter-offer, the Purchaser shall have three (3) calendar days to respond to the counter-offer or remove this contingency and take the property in "as is" condition or this Contract of Sale shall become void. The Purchaser may remove this contingency at any time without cause.

6. Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

THE UNDERSIGNED APPROVE AND ACCEPT THIS ADDENDUM AND ACKNOWLEDGE THIS ADDENDUM TO BE A PART OF THE CONTRACT OF SALE.

OWNER(S):

BY: _____

DATE: _____

PURCHASER(S):

✓ BY: _____

✓ DATE: _____

✓ BY: _____

✓ DATE: _____

AGENT(S):

BY: _____

DATE: _____

BY: ✓ _____

✓ DATE: _____

HomeSteps Address:
5000 Plano Parkway • Carrollton, TX • 75010 • 972-395-4000

Buyer's Agent: be
sure to sign/date here



Commission Disbursement Authorization

FHLMC Loan# _____ Asset ID #: _____

Closing Attorney/Escrow Name: _____

Property Address: _____

Buyers Name: _____

Sales Price: \$ _____ Approved Commission 5.0 % or \$3000.00

INSTRUCTIONS TO PAY COMMISSION

Listing Broker Amount \$ _____ %

Incentive/Bonus (if applicable): _____

Company Name: Priority Realty, LLC

Address: 2840 Library Rd, Suite 290

City/State: Pittsburgh, PA 15234

Listing Broker Name: Robert G. Moncavage

Selling Broker Amount \$ _____ %

Incentive/Bonus (if applicable): _____

Company Name: _____

Address: _____

City/State: _____

Selling Broker Name: _____

Total Commission (Does not include incentives and/or bonuses) Amount \$ _____

The Listing and Selling Brokers hereby approve the above commission and incentives and bonuses (if applicable), and demand is hereby made for the same at the close of escrow. Notwithstanding the foregoing, Listing Broker understands and agrees that in accordance with Section 11 of the HomeSteps Master Listing and Services Agreement, Freddie Mac may withhold part or all of the above commission and/or incentives and bonuses (including those amounts that are payable to the Selling Broker, if Listing Broker is acting in a dual capacity) in order to offset any amounts owed or claims to be owed by the Listing Broker to Freddie Mac. In the event that such claim amount has not been determined with certainty, Freddie Mac is entitled to offset from the commission and/or incentives and bonuses, the amount Freddie Mac estimates, in its sole discretion, it could suffer as a loss.

Listing Broker Name: Robert G. Moncavage

Selling Broker Name: _____

License No: RM419018

License No: _____


Signature of Authorized Party

Signature of Authorized Party

Federal Home Loan Mortgage Corporation

Seller: _____

Date: _____



RIDER TO CONTRACT OF SALE
STATE OF PENNSYLVANIA
(Single-Family Real Estate Disposition)

For purpose of this rider (Rider) the Seller is:

- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps)
- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps), as Trustee for

This Rider is made part of the Agreement of Sale dated _____, 20__, between Seller and _____ (Purchaser), for the property located at _____ (Property).

IN THE EVENT ANY PROVISION OF THIS RIDER CONFLICTS IN WHOLE OR PART WITH THE TERMS OF THE AGREEMENT OF SALE OR ANY OTHER ADDENDUM OR RIDER, THE PROVISIONS OF THIS RIDER SHALL CONTROL.

1. TIME OF THE ESSENCE. “Time of the Essence” in Paragraph 4 of the accompanying HomeSteps Addendum to Contract of Sale shall mean Purchaser must close on the date designated in the contract, or within seven (7) calendar days of the date a firm commitment is issued, if the purchase is subject to financing, whichever date is earlier (the “closing date”).
2. CLOSING EXTENSION. The Seller may, in its sole discretion, which may be arbitrary, extend the closing date. Any extension must be in writing, signed only by Seller and/or its attorney.
3. CERTIFIED FUNDS. Purchaser must pay Seller the balance of monies due at closing by certified check, cashier’s check, or by check drawn from an attorney or title company escrow account. Personal checks are absolutely NOT acceptable, and will be rejected.
4. DEFAULT. The following actions by Purchaser shall constitute a material breach of the contract entitling Seller to keep the deposit as liquidated damages, in addition to any other rights Seller may have as a matter of law. Purchaser shall also be responsible for any legal fees incurred by Seller to remedy said actions.
 - a. The failure to deliver funds as referenced in paragraph three, above.
 - b. The filing of a Lis Pendens and/or the Contract of Sale.
5. PURCHASER’S REMEDY. In the event of default by Seller, Purchaser shall be entitled to a return of the deposit, and repayment by Seller of out-of-pocket expenses incurred by Purchaser for inspecting the property or applying for financing which repayment amount shall not exceed \$250, as the Purchaser’s sole and exclusive remedy.
6. SURVEY. Seller will not provide Purchaser with a survey.
7. INSURABLE TITLE.

Unless Purchaser indicates to the contrary below, Seller shall furnish Purchaser, at Seller’s expense, a fee title policy, with coverage in the amount of the purchase price. If a mortgagee policy is required, Purchaser shall be responsible for paying for any endorsements to the policy that the lender may require.

A.

_____ I/We will obtain a fee title policy and/or title exam at my/our expense.

- B. In the event Purchaser chooses to obtain its own fee policy and/or title exam, Purchaser shall order the same within three days of Purchaser’s executing the contract of sale, or all objections to title shall be waived.

Purchaser must notify Seller’s attorney of any and all title objections at least ten days before closing, or all objections to title shall be waived. If Seller cannot cure said objections after a good faith effort, or to do so would delay closing beyond the original or any extended closing date, Purchaser agrees to accept a fee title policy, as stated above, at Seller’s expense.

8. SETTLEMENT LOCATION. Settlement/closing shall be held in the offices of the Seller’s attorney or in the office of the closing agent selected by Seller’s attorney. The attorney shall hold the deposit in a non-interest bearing trust account.

Dated: _____

Dated: _____

Federal Home Loan Mortgage Corporation,
as Trustee for

Purchaser

By: _____

Purchaser

Title: _____

HomeSteps Questionnaire

(Required from ALL purchasers)

Is the Buyer an Owner Occupant? _____

Is the Buyer a First Time buyer? _____

Is the Buyer a Licensed Real Estate Agent/Broker? _____

Does the Selling Agent/Broker have a relationship with the Buyer? _____

If yes, provide details: _____

Is the Buyer a Freddie Mac/HomeSteps employee? _____

Is the Buyer a Freddie Mac/HomeSteps Supplier or Relative? _____

Is the Buyer a previous mortgagor or relative? _____

Buyer 1 Signature

Date

Buyer 2 Signature

Date

The following document is only necessary for offers presented during the Freddie Mac First Look Initiative.

Offers within the first 20 Days of a new listing will ONLY be considered from Owner Occupant homebuyers, Neighborhood Stabilization Program (NSP) grantees and non-profit organizations engaged in community stabilization efforts. All buyer types may present their offers during the 20 day period. The purchaser does NOT need to be a first time homebuyer to be eligible; however, they must be buying the home as their primary residence. Offers from purchasers NOT intending to use the property as their primary will not be reviewed or responded to until after the First Look Initiative has expired. Additional details may be found at www.HomeSteps.com.

The form must be filled out, signed by all buyers and buyer's agent and submitted with an accepted offer package during the First Look Initiative time frame. It is not necessary –although it is strongly recommended—that the form is submitted with the initial offer package.

PLEASE NOTE: Normal offer procedures still apply during the First Look Initiative. Refer to the “Submitting Offers” and “Disclosure Notice to Prospective Buyers” documents for details.



**AGREEMENT OF PURCHASER
(Primary Residence)**

In addition to the representations in section 21 of Addendum #1 of the Contract of Sale dated _____, 20 ____, between Seller

- ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps)
 - ☐ Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps), as Trustee for
-

and Purchaser and any and all other contractual documents, for the property located at _____ (“Property”), I certify, agree, represent and acknowledge that:

1. All of the information provided in this Agreement of Purchaser and any supporting documents requested by Seller and provided to Seller by me are true and accurate.
2. I understand that Seller will rely upon the information provided by me in determining whether to complete the sale of the Property to me.
3. I intend to occupy this residence as my primary residence.
4. I will occupy the Property no later than 60 days after the date of Closing.
5. I will not re-sell, convey, otherwise grant any interest in the Property, list for sale or rent the Property in whole or in part to a third party within one year after the date of Closing of the sale under the Contract of Sale.
6. In the event that I list for sale or rent the Property in whole or in part to another party within one year after the date of Closing in breach of this Agreement, I agree to pay Seller as liquidated damages the greater of either \$10,000 or (a) any gains that accrue to me as the result of said transaction, represented as the positive difference between the total sales price listed in the above-referenced Contract of Sale and the sales price at which the Property is resold or (b) the total rent(s) to be paid or paid by the tenant of the Property over the course of the tenancy as shown in the lease agreement. I agree to provide Seller any documents related to these amounts, including but not limited to, the sales contract or lease agreement, upon request. I also understand that, notwithstanding the preceding, Seller may elect to receive the lesser of these figures, but if and only if Seller determines, *in its sole discretion*, that I executed this agreement in good faith.
7. I agree and understand that if Seller determines that I made any misrepresentations in the Contract of Sale, Addendum #1, this Agreement of Purchaser or otherwise, Seller may refuse to enter into any future transactions with me for the purchase, sale or financing of real property and may place my name on Seller’s Exclusionary List in order to accomplish this purpose.
8. I agree and understand that any misstatement or misrepresentation in this Agreement of Purchaser will constitute a breach by me of the Contract of Sale, and will permit Seller the right to cancel the Contract of Sale and to exercise any remedies available under the Contract of Sale and applicable law or equity.
9. I agree that should I refuse to honor any demand made by Seller pursuant to the Contract of Sale, Addendum #1, this Agreement of Purchaser or applicable law that Seller shall have the right to initiate legal action against me to enforce Seller’s rights and that I will pay all costs and expenses, including, but not limited to, reasonable attorneys’ fees and costs of collection and enforcement, incurred by Seller in furtherance thereof.

10. I understand that any misstatement or misrepresentation in this Agreement of Purchaser may subject me to criminal and/or civil liability, and that Seller may refer evidence of such misstatement or misrepresentation to the appropriate law enforcement agencies.
11. I agree that the representations I have made and the matters to which I have agreed in this Agreement of Purchaser will not merge with the deed conveying title to the Property and they will survive closing of this transaction.

Purchaser Signature

Date

Purchaser Signature

Date

Statement of Selling Agent

- A. I agree and represent that to the best of my knowledge, after having conducted due diligence into the representations made by Purchaser in this Agreement of Purchaser, that the Purchaser intends to occupy the Property after closing as Purchaser's primary residence in accordance with the terms of this Agreement of Purchaser. I acknowledge that Seller is relying on this representation for approval of this sale. I agree and represent that I will not list the Property for sale or rent for a period of one year after the first date of Closing of the sale under the contract of Sale.
- B. I agree that I if become aware that the purchaser will not occupy the residence as specified in this agreement, I will report this knowledge to Freddie Mac.
- C. I agree and understand that if Seller determines that I or the Purchaser made any misrepresentations in this Agreement of Purchaser or otherwise, Seller may refuse to enter into any future transactions for the purchase, sale or financing of real property in which I am involved, and may place my name on Seller's Exclusionary List in order to accomplish this purpose.
- D. I also agree and understand that any misstatement or misrepresentation in this Agreement of Purchaser may subject me to criminal and/or civil liability, and that Seller may refer evidence of such misstatement or misrepresentation to the appropriate licensing or law enforcement agencies.

Selling Agent

Selling Agent's License Number

Date

The following document is only necessary if there are multiple offers on the property. Our office will advise if there are multiple offers on the property. If there are multiple offers and this is the first offer you are submitting on the property PLEASE only submit the buyer's HIGHEST AND BEST OFFER!

MULTIPLE OFFER PROCEDURE FORM

Date: _____

Property Address: _____

City/State/Zip: _____

Offeror Name(s): _____

Selling Agent & Broker: _____

Dear Offeror:

We are involved in a multiple offer situation on the above referenced property. ALL OFFERS will be considered subject to the following:

1. All offers must be *in writing* – no verbal offers will be accepted.
2. The Listing Agent must receive your written “best” offer no later than _____ (time) on _____ (date). Delivery of such offer may be via facsimile to:

Listing Agent & Broker: Bob Moncavage

Telephone Number: 412-819-0777 Bob x12 Offers x13

Facsimile Number: 412-712-9778 EMAIL: Bob@PriorityRealty.net or Offers@PriorityRealty.net

3. The Listing Agent will submit all offers to Seller(s) via Seller’s on-line system, at close of Multiple Offer Period.
4. The following terms and conditions shall be applicable to you and to any offer you wish to submit:
 - a) Seller shall have sole and absolute discretion to accept or reject any offer received. Seller is not required to accept any particular offer, regardless of its terms, and has the absolute right and discretion to reject all offers.
 - b) Subsequent to receipt of offers, Seller shall have the absolute right to deal with any Broker and/or one or more offerors to further negotiate the terms and conditions of any offer. In so doing, Seller shall have no obligation to negotiate or communicate with each and every other offeror, or with any offeror.
 - c) Under no circumstances shall verbal communications between an Offeror and Seller or any agent or Broker constitute or create an obligation on the part of Seller to sell a property to anyone under any terms.
 - d) The acceptance of any offer shall be conditioned upon the subsequent execution by the Offeror and Seller of a written contract of sale, including all required addenda and setting forth terms and conditions satisfactory to the Seller. The Seller shall have no obligation to sell the property unless and until such written contract is fully executed.
5. In the event an accepted offer does not result in a closed escrow, Seller reserves the right to re-open negotiations with any offeror and/or Seller may request Listing Agent to solicit new offers.

Please sign below to acknowledge your understanding and acceptance of these terms and procedures and return this form to the Listing Broker no later than the time designated for the transmittal of offers. Failure to transmit such acceptance may prevent your offer from being considered.

ACKNOWLEDGED AND AGREED

(Offeror)

Date

(Offeror)

Date

(Selling/Buyers Agent)

Date