



**SELLER FINANCING ADDENDUM**  
**PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)**  
**NOTICE: NOT FOR USE FOR COMPLEX TRANSACTIONS**

**ADDENDUM TO EARNEST MONEY CONTRACT BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE PROPERTY IDENTIFIED AS \_\_\_\_\_**

**A. PROMISSORY NOTE.** The promissory note (the Note) described in Paragraph 4 of the Earnest Money Contract payable by Buyer (Maker) to the order of Seller (Payee) shall be payable at the place designated by Payee. The Note may be prepaid in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest shall immediately cease on the prepaid principal. The lien securing payment of the Note will be inferior to any lien securing any superior note described in the contract. The Note shall be payable as follows:

- (1) In one payment due \_\_\_\_\_ after the date of the Note with interest payable \_\_\_\_\_.
- (2) In \_\_\_\_\_ installments of \$ \_\_\_\_\_  including interest  plus interest beginning \_\_\_\_\_ after the date of the Note and continuing at \_\_\_\_\_ intervals thereafter for \_\_\_\_\_ when the entire balance of the Note shall be due and payable.
- (3) Interest only in \_\_\_\_\_ installments for the first \_\_\_\_\_ year(s) and thereafter in installments of \$ \_\_\_\_\_  including interest  plus interest beginning \_\_\_\_\_ after the date of the Note and continuing at \_\_\_\_\_ intervals thereafter for \_\_\_\_\_ when the entire balance of the Note shall be due and payable.

**B. DEED OF TRUST.** The deed of trust securing the Note shall provide for the following:

(1) ASSUMPTION OF NOTE OR PROHIBITIONS AGAINST ASSUMPTION: (check only one)

- (a) Assumption Without Consent: The Property may be sold without the consent of the Payee, provided any subsequent buyer assumes the Note.
- (b) Assumption With Consent: The Property may be sold to a subsequent Buyer who assumes the Note, with no change in interest rate or terms; provided the subsequent buyer obtains prior written consent from the Payee. Consent will be based on the subsequent Buyer's credit history, and shall not be unreasonably withheld. If all or any part of the Property is sold, conveyed, leased for a period longer than 3 years, leased with an option to purchase, or otherwise sold (including by contract for deed), without the prior written consent of the Payee, then the Payee may at his option declare the outstanding principal balance of the Note, plus accrued interest, to be immediately due and payable. The creation of a subordinate lien, any sale thereunder, any deed under threat or order of condemnation, any conveyance solely between makers, or the passage of title by reason of the death of a maker or by operation of law shall not be construed as a sale or conveyance of the Property.
- (c) Prohibition Against Assumption: If all or any part of the Property is sold, conveyed, leased for a period longer than 3 years, leased with an option to purchase, or otherwise sold (including any contract for deed), without the prior written consent of the Payee, then the Payee may at his option declare the outstanding principal balance of the Note, plus accrued interest, to be immediately due and payable. The creation of a subordinate lien, any sale thereunder, any deed under threat or order of condemnation, any conveyance solely between makers, the passage of title by reason of the death of a maker or by operation of law shall not be construed as a sale or conveyance of the Property.

(2) TAX AND INSURANCE PAYMENTS: (check only one)

- (a) Without Escrow: Maker shall furnish to Payee annually, before the taxes become delinquent, copies of tax receipts showing that all taxes on the Property have been paid. Maker shall furnish to Payee annually evidence of current paid-up insurance naming Payee as an insured.
- (b) With Escrow: Maker shall, in addition to the principal and interest installments, deposit with the Payee a pro rata part of the estimated annual ad valorem taxes on the Property and a pro rata part of the estimated annual insurance premiums for the improvements on the Property. These tax and insurance deposits are only estimates and may be insufficient to pay total taxes and insurance premiums. Maker shall pay any deficiency within 30 days after notice from Payee. Maker's failure to pay the deficiency shall constitute a default under the Deed of Trust. In the event any superior lienholder on the Property is collecting escrow payments for taxes and insurance, this Paragraph shall be inoperative so long as payments are being made to the superior lienholder.

(3) CROSS-DEFAULT: Any act or occurrence which would constitute default under the terms of any lien superior to the lien securing the Note shall constitute a default under the Deed of Trust securing the Note.

\_\_\_\_\_  
Buyer/Maker

\_\_\_\_\_  
Seller/Payee

\_\_\_\_\_  
Buyer/Maker

\_\_\_\_\_  
Seller/Payee

The form of this Addendum has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. (10-93) TREC No. 26-2. This form replaces TREC No. 26-1.