

Owner Financing Mortgage Contract

This agreement is entered into on the _____ day of _____, 20____
between _____ (hereinafter “Owner”) and
_____ (hereinafter “Buyer”) for the sale of the
property located at _____
(hereinafter “property”).

At all times the laws of the state in which the property is located govern this contract. This contract is not a sale contract for the property. A separate sale contract for the property must be entered into and executed according to the laws of the state in which the property is located.

Loan Terms

This contract establishes that Owner shall sell and Buyer shall buy the property and that Owner shall finance the balance of the purchase price for the property for Buyer after Buyer delivers a down payment.

The purchase price of the property is _____, as agreed to by the parties to this contract. This amount was agreed to after an appraisal of the property, which occurred on _____ and was conducted by _____.

Buyer is/is not (circle one) obtaining financing for any portion of the purchase price of the property from a third party, such as a bank. Buyer must notify Owner of the amount of financing obtained from any third party and provide the name and contact information of the third party within 30 days of obtaining such financing.

The down payment amount of _____ has been agreed to by the parties and is to be delivered no later than _____, 20____. Failure to provide this down payment nullifies this contract in its entirety.

The amount that Owner will finance for Buyer for the sale of the property is _____ (hereinafter “Owner finance”). Owner shall carry the promissory note for the entire mortgage term for the amount identified as Owner finance.

Buyer has submitted a mortgage application to obtain this financing and Owner has approved Buyer’s finances.

Financing for the mortgage is to last for a period of _____ and carries an interest rate of _____. This interest rate is/is not (circle one) flexible according to the

mortgage rate index chosen by the parties. The parties have chosen _____ as the mortgage rate index to govern this contract. Any changes to interest rate can be made solely by the Owner, but must be provided in writing no less than _____ days prior to the change coming into effect.

Payment for the mortgage is due monthly in the amount of _____. This amount does/does not (circle one) include taxes, insurance, and legal, state, and other fees associated with owning the property. Should this amount include these fees and should these fees change due to changes in rates being set by the governing party, such as the state tax authority, the parties will notify each other of any changes that are brought to their attention within 30 days.

Prepayment of all or a portion of the financing extended to Buyer is allowed and carries no penalties.

This agreement is secured by the home. Buyer's failure to pay the mortgage payment when due as described above entitles Owner to initiate foreclosure proceedings as allowed by state against Buyer. Owner has the right to repossess the property after the conclusion of foreclosure proceedings, as outlined and permitted by the laws of the state in which the property is located.

Loan Servicing

Owner will/will not (circle one) hire a loan servicing company to draw up the mortgage documents and handle the processing of payments. The selection of the servicing company is solely at the discretion of the Owner. Any fees charged by the chosen company for servicing the loan will be handled directly by the Owner. Owner reserves the right to hire a servicing company at any time. Notification of the choice of servicing company will be provided to the Owner no later than 30 days before payment should be sent to the servicing company.

Owner may change servicing companies at any time without giving prior notice to Owner. However, Owner must notify Buyer or have the new servicing company notify Buyer of any changes to choice of loan servicing company at least 30 days prior to the change in mailing address for monthly payment. Any fees incurred due to the Owner's failure to provide Buyer with notice, either directly or from the service company, and the Buyer's sending payment to the incorrect address shall be paid by Owner.

This contract is full in its entirety. Any additions must be made in writing and amended to this contract.

Entered into this _____ day of _____, 20_____.

Buyer

Owner

Notarized or executed according to governing state law this _____ day of _____, 20_____.