

SELLER CARRYBACK DISCLOSURE STATEMENT

Date: _____, 20 ____ at, _____, CA.

This is an addendum to the following agreement:

- Purchase agreement
 Counteroffer Exchange agreement
 Option to purchase (with or without lease)

Dated _____, 20 _____.

Entered into by _____

This statement is required by California Civil Code Section 2956 when the seller carries back a note executed by the buyer as part of the sales price for property containing four or less family units. This statement is prepared and presented by the broker or agent, to the party who offers or counteroffers to buy, sell, exchange or option as part of the offer or counteroffer received by the broker or agent. A copy of the statement shall also be delivered to the party accepting the offer or counteroffer. The statement is signed by the broker or agent who prepares it. Both buyer and seller sign it acknowledging they have read and received a copy.

DISCLOSURES: Items left blank or unchecked are not applicable

1. General information concerning note to be executed by Buyer to Seller:

- 1.1 Note to be executed by Buyer in the original amount of \$ _____, payable in constant monthly _____ installments of \$ _____ to include _____ percent per annum interest, until paid all due and payable with a final/balloon payment on _____, 20 _____ in the approximate amount of \$ _____.
1.2 The note will be secured by a trust deed on the property. _____
1.3 If this note contains a FINAL/BALLOON PAYMENT, the debt is not fully amortized. When this remaining balance is due and payable, there can be no assurance that refinancing, modification or extension of the balloon payment will be available to the Buyer.
1.4 Unless stated and explained in an attached addendum, the note contains a fixed rate of interest with no variable or adjustable interest rates which would increase payments or result in a negative amortization of the debt: _____.
1.5 Unless stated, the original amount of the note will be adjusted by endorsement at close of escrow to reflect differences in the then remaining balance of any underlying trust deed obligation(s) being assumed or obtained.
1.6 If an All-Inclusive Note and Trust Deed are carried back by Seller, they will contain provisions passing through to the Buyer any prepayment penalties, late charges, due-on sale or further encumbrance acceleration and future advances.

2. Special provisions & disclosures concerning the carryback note & trust deed:

- 2.1 If an all-inclusive note and trust deed are carried back by the Seller, they will contain provisions that the Seller will place the note on contract collection with any institutional lender, escrow officer or real estate broker, other than the Seller, and that the collection agent is instructed to first disburse funds on payments due senior encumbrances.
2.2 A joint protection CLTA policy of title insurance will be delivered to Buyer and Seller insuring their interests in title on the close of escrow.
2.3 The trust deeds and grant deeds or land sale contracts to be executed will be recorded with the county recorded at close of escrow.
2.4 The Seller will be named, through escrow, as a loss payee under the hazard and fire insurance assigned to or obtained by the Buyer.
2.5 No tax reporting service shall be obtained for the Seller and Seller will assure himself that real estate taxes have been paid while he holds the note. _____
2.6 Requests for Notice of Default and Notice of Delinquency under California Civil Code Sections 2924b and 2924e will be recorded and served on behalf of Seller on encumbrancer senior to the carryback.
2.7 Seller is aware that in the event of a default under the carryback note and trust deed, his sole source of recovery is limited to the net proceeds from foreclosure or his subsequent resale; and he is not entitled to rental value or deficiency money judgment under the note. [CCP 580b]
2.8 Unless entered, Buyer shall receive no net proceeds or cash back upon the close of escrow. Amount to be received \$ _____; source of funds _____; reason for _____ receipt _____.
2.9 The note shall include the following provision: "This note is subject to Section 2966 of the Civil Code, which provides that the holder of

this note shall give written notice to the trustee, or his successor in interest, of prescribed information at least 90 and not more than 150 days before any balloon payment is due."

3. Encumbrances senior & prior to Seller's carryback trust deed & note:

3.1 Conditions of encumbrances, with priority over the Seller's carryback note and trust deed which will remain or be placed of record at time of closing are as follows:

Table with 2 columns: First Trust Deed, Second Trust Deed. Rows include: Original balance, Current balance, Interest rate, Type, Monthly payments, Due date, Balloon payment, Current defaults.

3.2 If any of the senior encumbrances contain a due date, it may be difficult or impossible to refinance, modify or extend the balloon payment in the conventional mortgage marketplace.

4. Buyer credit information (supplied by Buyer):

Buyer to hand Seller a completed credit application on acceptance. [first tuesday Form 302] Seller may terminate the agreement within _____ days of acceptance by delivering to Buyer, Buyer's broker or escrow written Notice of Cancellation based on disapproval of Buyer's credit. [first tuesday Form 183]

5. Broker disclosures:

- 5.1 Credit data is supplied by Buyer. Broker knows of no falsity or omission concerning the Buyer's credit information.
5.2 This statement and its contents being statutorily required disclosures do not limit the broker's duties to disclose other facts material to the Buyer or Seller.
5.3 The Buyer and Seller are not to sign this statement until they have read and understood all of the information in it. All parts of the form must be completed before signature.
5.4 See attached addendum for additional disclosures which are made a part hereof.
5.5 This statement was prepared by: _____.

6. Other provisions: _____

Buyer's Broker: _____

Address: _____ Phone: (____) _____

By: _____

I have read and received a copy of this statement.

Date: _____, 20 _____

Buyer: _____

Buyer: _____

Seller's Broker: _____

Address: _____ Phone: (____) _____

By: _____

I have read and received a copy of this statement.

Date: _____, 20 _____

Seller: _____

Seller: _____