



FINANCIAL DISCLOSURE STATEMENT

For Entering Into a Land Sales Contract

Prepared by: Agent _____
Broker _____

Phone _____
Email _____

NOTE: This disclosure form is used by an agent when preparing an offer or counteroffer to buy, sell, exchange or option a one-to-four unit residential property with the seller extending credit on a land sales contract, to prepare an addendum to disclose the terms and conditions of the land sales contract.

DATE: _____, 20____, at _____, California.

Items left blank or unchecked are not applicable.

1. FACTS:

This is an addendum to the following agreement:

- Offer for Land Sales Contract [See RPI Form 167]
- Land Sales Contract [See RPI Form 168]

1.1 dated _____, 20____

1.2 entered into by _____, as the Vendor,
and _____, as the Vendee,

1.3 regarding property referred to as _____.

DISCLOSURES:

2. GENERAL INFORMATION CONCERNING TERMS OF PAYMENT:

2.1 The balance of the purchase price due Vendor is \$_____, payable in constant monthly installments of \$_____, to include _____% per annum interest, all due and payable with a final/balloon payment on _____, 20____, in the approximate amount of \$_____.

2.2 The Land Sales Contract provides for a final/balloon payment. Thus, the debt is not fully amortized. On the final/balloon payment date, the availability of refinancing, modification or extension of the final/balloon payment cannot be assured. [See RPI Form 418-3]

2.3 Vendor remains responsible to remit payments to Payees under senior encumbrances on receipt of installments paid by Vendee.

Notice: *The Vendor and Vendee may wish to use a collection agent for the purpose of accepting the Vendee's payments and disbursing payment to underlying lenders and the Land Sales Contract.*

2.4 This Land Sales Contract is subject to the following provision: "This Land Sales Contract is subject to section 2966 of the Civil Code, which provides that the holder of this instrument shall give written notice to the Vendee, or his successor in interest, of prescribed information at least 90 and not more than 150 days before any final/balloon payment is due." [See RPI Form 419]

2.5 The Land Sales Contract wraps an existing trust deed, and any costs incurred by Vendor for prepayment penalties, late charges, due-on-sale or further encumbrance acceleration and future advances will be passed on to Vendee for payment. [See RPI Form 168]

3. SPECIAL PROVISIONS AND DISCLOSURES:

3.1 Vendor will be designated as loss payee under Vendee's hazard and fire insurance, or
 Vendee will be designated as loss payee under Vendor's hazard and fire insurance.

3.2 Requests for Notice of Default and Notice of Delinquency under California Civil Code sections 2924b and 2924e will, or will not, be recorded for notice to Vendee on encumbrances senior to the Land Sales Contract. [See RPI Form 167 §14 and Form 412]

3.3 The land sales contract transaction will, or will not, be escrowed for the delivery of the signed Land Sales Contract to Vendor and possession to Vendee.

3.4 The Land Sales Contract will, or will not, be recorded. The lack of a recording may impair Vendee's interest in the property if liens attach to Vendor's interest in the property.

3.5 Vendee's policy of title insurance will, or will not, be obtained from a title insurance company.

3.6 No tax reporting service will be obtained. If an impound rider is agreed to, Vendee will confirm the real estate taxes are paid by Vendor. If no impound rider is agreed to, Vendor will confirm the real estate taxes are paid by Vendee.

3.7 Vendee is to receive no proceeds or cash back on execution of the Land Sales Contract.

3.8 Vendor is aware their sole source of recovery on Vendee's default is limited to the credit bid or net proceeds from Vendor's foreclosure under the Land Sales Contract. [Calif. Code of Civil Procedure §580b]

4. ENCUMBRANCES SENIOR TO THE LAND SALES CONTRACT:

4.1 The conditions of encumbrances with priority over the Land Sales Contract include:

	First loan	Second Loan
Original balance:	\$ _____	\$ _____
Current balance:	\$ _____	\$ _____
Interest rate:	_____ % <input type="checkbox"/> ARM Type _____	_____ % <input type="checkbox"/> ARM Type _____
Monthly payments:	\$ _____	\$ _____
Due date:	_____, 20____	_____, 20____
Balloon payment	\$ _____	\$ _____
Current defaults:	\$ _____	\$ _____

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

5. VENDEE CREDIT INFORMATION:

- 5.1 Vendee to hand Vendor a completed credit application on acceptance [See RPI Form 302]; and
- 5.2 Vendor may terminate this agreement within _____ days of Vendor's receipt of Vendee's credit application by delivering to Vendee or Vendee's Broker a written Notice of Cancellation based on disapproval of Vendee's credit. [See RPI Form 183]

6. BROKER DISCLOSURES:

- 6.1 Credit data is supplied by Vendee. Broker knows of no falsity or omission concerning Vendee's credit information.
- 6.2 This statement and its contents, being statutorily required disclosures, do not limit Broker's duties to disclose other facts material to Vendee or Vendor.
- 6.3 This statement is an addendum to the agreement referenced at §1 and creates no rights to rescind the Land Sales Contract.
- 6.4 This statement was prepared by _____

7. OTHER: _____

Buyer's Broker: _____
CalBRE #: _____

By: _____
I have received and read a copy of this statement.
Date: _____, 20____

Vendee: _____

Vendee: _____

Seller's Broker: _____
CalBRE #: _____

By: _____
I have received and read a copy of this statement.
Date: _____, 20____

Vendor: _____

Vendor: _____