



**VIRGINIA REALTORS®
APPRAISAL CONTINGENCY ADDENDUM**



REALTOR® (This is a legally binding contract; if not understood, seek competent advice before signing.)

This addendum which is attached to and made a part of the Residential Purchase Contract (the "Contract") dated _____, between _____ (the "Buyer") and _____ (the "Seller") for the Property, whose address is: _____

Please select one of the options below. If no option is selected, then this addendum does not create a contingency.

☐ **Standard Appraisal Contingency:**

This Contract is contingent upon an appraisal as stated in this option.

Buyer shall order the appraisal and pay any fees required to order the appraisal within 5 business days from the Date of Ratification.

Buyer shall have _____ days following the Date of Ratification to obtain an appraisal ("Appraisal Deadline"). If no date is filled in, the Appraisal Deadline is the date Buyer must obtain commitment in the Contract.

If the appraisal is equal to or greater than the Purchase Price, then contingency has been satisfied and removed. However, Buyer may elect not to proceed with this Contract because the Property does not satisfy the lender(s) requirements, the appraisal does not allow for the specified financing or the Property is inadequate collateral. Buyer must provide notice of this election along with a written denial of the financing showing written evidence of the lender(s)'s decision concerning the Property, within three days of receiving lender's denial.

If the appraisal is less than the Purchase Price, Buyer may elect not to proceed with this Contract unless Seller lowers the Purchase Price to the appraised value. Buyer will provide notice of this request along with a copy of the written statement showing the appraised value of the Property, within three days of receipt of appraisal. Seller may then agree to lower the Purchase Price to the appraised value and the parties shall proceed to settlement at the lower Purchase Price. Seller must notify Buyer within three days of receipt of Buyer's request whether Seller agrees to lower Purchase Price to the appraised value and proceed to settlement or Seller refuses to lower Purchase Price.

If Seller refuses, the parties may otherwise agree to mutually acceptable terms. The parties will have _____ days from Seller's refusal to make ("Negotiation Period"), rescind, or alter as many offers and counteroffers as desired to reach mutually acceptable terms. If Buyer and

Seller agree on terms they may sign a removal addendum describing the terms. If the parties fail to agree within this Negotiation Period, this Contract will terminate and Buyer will receive a full refund of the earnest money deposit.

☐ **Appraisal Plus Gap:**

Buyer shall order the appraisal and pay any fees required to order the appraisal within 5 business days from the Date of Ratification.

If the appraisal plus \$_____ ("Appraisal Gap Total") is equal to or greater than the Purchase Price, then contingency has been satisfied and removed. However, Buyer may elect not to proceed with this Contract because the Property does not satisfy the lender(s) requirements, the appraisal does not allow for the specified financing or the Property is inadequate collateral. Buyer must provide notice of this election along with a written denial of the financing showing written evidence of the lender(s)'s decision concerning the Property, within three days of receiving lender's denial.

If the Purchase Price is greater than the Appraisal Gap Total, Buyer may elect not to proceed with this Contract unless Seller lowers the Purchase Price to the Appraisal Gap Total. Buyer will provide notice of this request along with a copy of the written statement showing the appraised value of the Property, within three days of receipt of appraisal. Seller may then agree to lower the Purchase Price to the Appraisal Gap Total and the parties shall proceed to settlement at the lower Purchase Price. Seller must notify Buyer within three days of receipt of Buyer's request whether Seller agrees to lower Purchase Price to the Appraisal Gap Total and proceed to settlement or Seller refuses to lower Purchase Price.

If Seller refuses, the parties may otherwise agree to mutually acceptable terms. The parties will have _____ days from Seller's refusal to make ("Negotiation Period"), rescind, or alter as many offers and counteroffers as desired to reach mutually acceptable terms. If Buyer and Seller agree on terms they may sign a removal addendum describing the terms. If the parties fail to agree within this Negotiation Period, this Contract will terminate and Buyer will receive a full refund of the earnest money deposit.

_____/_____
DATE BUYER

_____/_____
DATE SELLER

_____/_____
DATE BUYER

_____/_____
DATE SELLER

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