



Appraisal Gap Addendum

This addendum should only be used with conventional/cash financing and should not be used in conjunction with an Appraisal Contingency Rider (Florida Realtors and the Florida Bar, FR/Bar) or Appraisal Addendum (Contract for Residential Sale and Purchase, CRSP).

The following provisions are made apart of the Contract between

_____ (“Seller”)
and _____ (“Buyer”)
concerning the Property described as _____
_____.

If the appraisal or other property valuation (“Valuation”) indicates a value less than the Purchase Price, Buyer agrees to pay the difference between the Purchase Price and the Valuation, up to a maximum of \$_____ (“Gap Amount”), not to exceed the Purchase Price. If the Gap Amount added to the Valuation exceeds the Purchase Price, then Buyer's Gap Amount will be reduced accordingly to equal the Purchase Price. The parties agree to execute and deliver an addendum setting forth the new Purchase Price, as well as adjusting any other necessary terms including, but not limited to, financed amount and cash to close, within 3 days of Buyer's delivery of Valuation to Seller as set forth below.

CHECK ONE:

- (a) At Closing, Buyer shall pay cash to cover applicable Gap Amount. Buyer's proof of funds is attached with the offer.
- (b) Buyer shall seek financing for applicable Gap Amount. **Buyer should verify the ability to finance the Gap Amount with lender.** If this option is selected, the amount Buyer is financing is amended to include applicable Gap Amount.

(IF NEITHER BOX IS CHECKED, THEN OPTION (a) SHALL BE DEEMED SELECTED)

Buyer will obtain Valuation either through their lender or, if no lender, on their own, within _____ days (if left blank, 30 days) after Effective Date. Buyer will deliver a copy of Valuation to Seller within 3 days of obtaining Valuation.

If the Valuation plus the Gap Amount remains less than the Purchase Price, the parties shall have _____ days (if left blank, 3 days) after the date Buyer delivers a copy of the Valuation to Seller to mutually agree to revised terms, including but not limited to Purchase Price and Gap Amount. If the parties do not execute and deliver to one another an addendum setting forth the mutually agreed - upon revised terms within the time set forth in this paragraph, this contract shall terminate, whereby deposit(s) paid by Buyer shall be returned to Buyer.

Parties acknowledge and understand that:

- In no event shall Seller be obligated to reduce the Purchase Price because the Valuation plus Gap Amount is below the Purchase Price;
- Use of this Addendum is voluntary and intended to increase the competitiveness of Buyer’s offer to Seller;
- Buyer should verify the ability to finance the Gap Amount with Buyer’s lender before submitting their offer to Seller;
- Buyer and Seller should consider whether the Property is worth the Purchase Price and/or the Valuation plus the Gap Amount;
- Seller should consider how Buyer intends to pay for the Gap Amount;
- If applicable, use of this Addendum does not obligate Buyer’s lender to the terms of the Contract and this Addendum;
- Buyer and Seller should consult counsel regarding the possible legal consequences of using this form and use care and diligence in the course of the transaction for the reasons stated herein.

Buyer

Date

Buyer

Date

Seller

Date

Seller

Date