

## CFPB CLOSING DISCLOSURE ADDENDUM TO CONTRACT

This CFPB Closing Disclosure Addendum to Contract is made and entered into as of \_\_\_\_\_, and is hereby made part of and incorporated into that certain Connecticut Residential Purchase and Sale Agreement dated \_\_\_\_\_ (the "Contract") by and between \_\_\_\_\_ (therein and hereinafter referred to as "Buyer"), and \_\_\_\_\_ (therein and hereinafter referred to as the "Seller") pertaining to the real property commonly known as \_\_\_\_\_, Connecticut ("Property");

1. This Addendum shall apply if the Buyer is obtaining a mortgage loan subject to the jurisdiction of the Federal Consumer Finance Protection Bureau ("CFPB").
2. Federal regulation requires timely and accurate disclosure of closing costs in residential mortgage transactions and Lender policies and practices pertaining to the mandated CFPB Closing Disclosure may result in the Lender both 1) preparing the Closing Disclosure containing all final closing costs for both Seller and Buyer and 2) providing the Closing Disclosure to the Buyer within three (3) business days prior to closing. These procedures may result in a delay in the consummation of the transaction if final and accurate closing cost information is not supplied to the Lender in a timely manner.
3. Seller and Buyer recognize that these potential delays may cause material financial hardship to one or both parties in the event the Buyer's Lender does not receive and disclose timely and accurate information pertaining to a) all components of Seller and Buyer closing costs, b) items such as fuel oil, propane gas or other utility charges or adjustments in favor of the Seller (all such costs, adjustments and additions are referred to herein as "utility " or "utilities" costs) and/or c) the cost of pre-closing inspection property damage or the cost to deliver the property in the condition contracted for.

4. The intent of this Addendum is 1) to set forth the respective responsibilities of the Seller and Buyer to transmit to each other in a timely manner all closing costs required to be included in the Closing Disclosure and 2) to specify financial consequences for failure to do so. The parties agree that the responsibilities set forth in this Addendum shall be carried out by their respective attorneys from information obtained by such attorneys with the cooperation of the parties or other designated agents.
  
5. Therefore, the parties agree as follows:
  - a. To the extent the contract stipulates that time shall be of the essence regarding the closing date, the parties hereby waive that stipulation. The parties shall agree as soon as possible on a preliminary date of closing which may be subject to change. The preliminary date of closing shall be referred to for purposes of this Addendum as the "closing date". The closing date may be identical to the closing date set forth in the contract.
  - b. The Seller shall transmit to the Buyer's attorney at least 10 days prior to the closing date or revised closing date (the 10-day period prior to the closing date shall be referred to as the Blocked Out Period) all mortgage and lien payoffs, Seller attorney fees, commission amounts and breakdowns, State and Town conveyance taxes, the number of pages of the conveyancing deed and any other expenses required to be disclosed on the Closing Disclosure. Unless specifically permitted by the Buyer's lender, there shall be no Paid Outside of Closing ("POC") items.
  - c. The Seller shall be obligated to obtain and transmit to the Buyer, prior to the Blocked Out Period, information sufficient to calculate usual and customary utility adjustments to be paid by the Buyer to the Seller and final utility charges to be paid by the Seller at closing.
  - d. The Seller and Buyer shall collaborate to arrive at an appropriate real estate tax adjustment prior to the Blocked Out Period.
  - e. A utility charge shall not be adjusted unless the following information is transmitted by fax, mail or email to the Buyer's attorney prior to the Blocked Out Period: 1) in the case of

fuel (whether oil, propane or other fuel), an accurate reading of the fuel remaining in the tank and the price of such fuel calculated in accordance with the contract or 2) in the case of other applicable utilities, statements from the appropriate authority (ies) for water, sewer or other utility. If the cost of fuel is to be an adjustment in favor of the Seller, the resultant adjustment shall be reduced by the cost of 4 gallons of oil per day (and/or a proportionate amount if propane) from the day of transmittal of the information to the day of closing if the day of transmittal occurs during the months of December, January, February or March. Furthermore, the Seller agrees not to add fuel to the tank prior to the closing without the express permission of the Buyer.

- f. If the Seller fails to transmit to the Buyer all utility adjustments in favor of the Seller prior to the Blocked Out Period, the Buyer may perform the calculations using all reasonable and obtainable information. Such calculation shall be final and binding upon the parties.
- g. If the Seller and Buyer do not agree on a real estate tax adjustment prior to the Blocked Out Period, the Buyer shall make the adjustment which shall be final and binding, provided the Buyer's adjustment is based on current real estate tax data for the property and the adjustment is based upon the Uniform Fiscal Year method or such other method provided for in the contract of purchase and sale.
- h. In the event the parties discover at a pre-closing inspection that the property or dwelling sustained damage after the initial physical inspection or that the Seller failed to deliver the property or dwelling to the Buyer in the condition agreed to in the contract of sale and purchase or any amendments thereto, the Seller agrees, at their own cost and expense, to restore the property or dwelling to its condition prior to the damage, or, to deliver the property or dwelling to the Buyer at their own cost and expense in the condition agreed to in the contract or any amendments thereto. The parties may agree on a method of fulfilling the intent of the previous sentence.
- i. Notwithstanding anything to the contrary in the contract or this Addendum, in the event the Buyer's lender requires a redisclosure of the Closing Disclosure resulting in a delay of the closing, such event shall not cause the Buyer to pay the Seller any sums of money for

such delay unless 1) the contract contains a liquidated damage clause or a per diem charge for failure to close on or by a specific date and 2) the need for the redisclosure was caused by the failure of the Buyer to provide the Lender with information known to the Buyer or transmitted by the Seller to Buyer prior to the Blocked Out Period.

- j. Nothing contained in this Addendum shall be construed to make the closing date in the Contract to be of the essence.

IN WITNESS WHEREOF, Seller and Buyers have entered into this Addendum as of the Effective Date specified above.

\_\_\_\_\_  
SELLER: Date Signed

\_\_\_\_\_  
BUYER: Date Signed

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SELLER: Date Signed

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BUYER: Date Signed