

# Mortgage Assumption Guide

## What is an Assumable Mortgage?

An assumable mortgage allows a qualified buyer to assume the remaining balance and terms of the seller's current mortgage loan, including the rate, repayment period, current principal balance, and additional terms of the mortgage loan.

## How Does the Loan Assumption Process Work?

If the mortgage loan is assumable, a seller can sell their home to a qualified buyer, allowing the buyer to purchase the home by accepting responsibility for the seller's loan terms and remaining balance.

The buyer assuming a loan will need to go through an application and underwriting process to qualify. The buyer would be required to qualify for assumption of the loan, and be approved by New American Funding for full transfer of liability from the seller to the buyer. Qualifying would include, but is not limited to, credit and income requirements.

In cases of property transfer or inheritance where a sale is not initiated, the process for assumption of a mortgage may be simpler. If this is the case, please speak with our Customer Care department at 800-893-5304 for options specific to your mortgage.

## How Does the Loan Assumption Process Work?

FHA and VA mortgages can be assumed, while USDA mortgages cannot be considered for an assumption. Conventional mortgages can be considered for an assumption in certain circumstances.

## Important Information

### Cost

Third party fees, like credit report, flood certification and Property ownership report will apply. The amount of these fees will be determined by the loan program and (in some cases) where the property is located.

### Where Do I Start?

For specifics and additional answers regarding your request, please contact New American Funding's Customer Care Department at +1 (800) 893-5304. Please be aware that the assumption process may average 60 days for processing.

## Additional Information & Frequently Asked Questions

Additional information and FAQs can be found on our website at:

<https://www.newamericanfunding.com/myloan/#faq>