M&T Bank
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ABD-ALQADER SRAHIN
PO BOX 6838
PINE MOUNTAIN CLUB CA 93222-6838

03/31/2026

Phone #: 855-350-7272
Office Hours: Monday - Friday
8:00AM - 5:00PM EST

Mortgage No.: 0108029000

Property Address: 1908 TETON WAY
PINE MOUNTAIN CLUB, CA 93222

Dear Mortgagor(s):

We've received a request for information regarding the assumption of your mortgage loan. Upon reviewing your mortgage documents we've determined that your loan is eligible to be assumed.

What is an Assumption?

The assumption of a mortgage occurs in conjunction with a real estate purchase transaction, which means you'll be selling your home to a buyer (the assumption applicant) who wishes to assume, or take on your mortgage debt, in lieu of obtaining a new loan. A fully executed purchase contract, meeting all state requirements, must be submitted at the time of application. You will likely need to engage a real estate attorney to handle the sales transaction and assumption closing process.

Credit and Underwriting

The purchaser of your home (assumption applicant) will be required to have funds for a down payment and closing costs. Down payment requirements, which can range from 3.5% to 10%, are subject to change.
Like a new mortgage, the assumption of your existing mortgage requires a formal application and credit review. The purchaser of your home must have satisfactory income, credit history and savings to close the transaction.

Requirements and Conditions

It's appropriate to share this letter with the proposed purchaser/assumption applicant. For the assumption application to be successful, you should be certain that you and your purchaser will be able to meet the following requirements. These requirements cannot be waived and are not negotiable.

- The mortgage interest rate will not change. If the current rate of your mortgage is higher than market rates, your purchaser may elect to pursue a new mortgage application instead of an assumption. The current interest rate for your loan is 2.875%.
- Your loan must remain current throughout the assumption process, and all default fees (to the extent permitted by the contract and applicable law) must be paid.
- The property must remain owner occupied; and the purchaser must intend to owner-occupy at closing. Ownership of other real estate property may prohibit assumption eligibility.
- There is an $1800 application and release fee. Please note this fee is subject to change based on FHA allowable fees. In addition, customary closing costs will apply.

Mortgage Assumptions Frequently Asked Questions (FAQ)

A mortgage assumption occurs when a new borrower takes over an existing borrower's mortgage and releasing the existing borrower(s) from the liability of the debt (except for USDA). This means that the new borrower becomes responsible for paying off the remaining loan balance over the remaining term. A qualifying assumption requires an approval process similar in nature to refinancing and involves income and credit qualifying.

Seller-Related FAQs:

Are all loans assumable?
Answer: No. All loans are not assumable. Assumption eligibility is determined by verbiage contained within the Note/Mortgage. Each eligible investor will have requirements that govern eligibility. Please contact M&T Customer Service at 1-800-724-2224 to speak with a representative about eligibility.

What are the requirements to assume a loan?
Answer: A qualified assumption requires the assuming borrower to qualify based on current investor underwriting guidelines. Credit score, debt-to-income ratios and other factors may be used to determine qualification but vary based on loan type.

My relative wants to take over my payments. Is that an assumption?
Answer: An assumption is a purchase transaction, which means that you will be selling your home to someone who wishes to assume your current mortgage. If your relative wishes to become that purchaser, then yes, they can apply for an assumption.

My family member passed away and I want to assume the mortgage. Is this the correct process?
Answer: No. If we can declare that you are successor in interest, this is an exempt transfer, and it does not require you to credit qualify. You can initiate this request by sending the death certificate and/or probate documents to: M&T Bank, Estate Services PO Box 1850 Buffalo, NY 14203.

Can the assumption applicant take on the mortgage payments without credit-qualifying?
Answer: No. All applicants will have to enter into a formal purchase agreement, identify a purchase price, document enough money for a downpayment and closing costs, and be able to credit-qualify to assume the loan payments.

Will the seller remain financially responsible for the loan once the qualified assumption is approved and completed?
Answer: If the investor is FHA, VA, Fannie Mae, or Freddie Mac, once a Qualified Assumption is approved and closed, the seller is released from all future liability associated with the loan. After closing it can take up to 60 - 90 days for the sale to reflect on your credit reporting.

For USDA the new purchaser/assumption applicant must be credit-qualified and must meet applicable income limits set forth by USDA. In addition, you (the Seller) will **always** remain liable for the debt and will not be released from liability until the loan is paid in full.

Will the person(s) being released from liability for the loan be required to sign any documentation?
Answer: Yes. To complete the Qualified Assumption, the person(s) being released from financial liability will be required to sign certain documents.

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Mortgage Assumptions Frequently Asked Questions (FAQ)

What happens to the funds remaining in my escrow account once the assumption is completed?
Answer: It is up to you and the party(s) assuming your loan to negotiate into the purchase contract to determine what happens with existing funds in the Escrow account for the loan. Consult with your attorney for further information. M&T will apply the escrow funds as directed by the purchase contract. If the funds are staying in escrow for the new owner, M&T will keep the funds in escrow. If the contract indicates the escrow funds are to be returned to the seller, the return of escrow funds will be reflected on the Closing Disclosure for the assumption transaction.

Do I need to update M&T Bank with my new mailing address?
Answer: Yes. This will ensure that any additional documents we need to send to you will reach you in a timely manner. You should submit a Change of Address with your local post office.

Purchaser-Related FAQs:

How long does the Assumptions process take?
Answer: Once you apply for an assumption transaction with M&T, the process could take up to 90 days or more to complete from application to closing.

May a new interest rate be negotiated when assuming the loan?
Answer: No. An assumption, by definition, means the assumption applicant is assuming the exact terms (including the interest rate) from the original closing. There is no renegotiation permitted. If the assumption applicant wishes to apply for a new mortgage loan (not assume) – they would have access to current market interest rates.

I cannot find my W-2's and/or tax returns and do not want to provide bank statements. Can these be waived?
Answer: No. Assumption applicants must be credit qualified and are required to provide documentation to confirm their income, employment, and assets for M&T underwriting review and decision.

I do not have enough funds for a downpayment or closing costs, can I borrow the money or put it on a credit card?
Answer: Secondary financing secured by the subject property and/or gift funds may be acceptable depending upon investor requirements. Unsecured financing including credit cards is not permitted.

I have submitted all documents for the Assumption request, why am I being asked to submit additional documents for review?
Answer: Additional documents may be requested up until closing to meet underwriting and investor requirements.

Will I be required to escrow my taxes and insurance?
Answer: If the seller does not have an escrow account established, M&T will not escrow your taxes and insurance. To establish an escrow account, contact M&T Mortgage Servicing after the loan closes. If the Seller has an escrow account established, the account will be required to remain open, and taxes and insurance must continue to be escrowed. It is up to you and the Seller to negotiate into the purchase contract to determine what happens with existing funds in the Escrow account for the loan. Consult with your Attorney/Settlement Agent for further information. M&T will apply the escrow funds as directed by the purchase contract. If the contract indicates the escrow funds are to be returned to the seller, the return of escrow funds will be reflected on the Closing Disclosure for the assumption transaction.

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