BUSTING MYTHS ABOUT ASSUMPTIONS

Myth 1 Assumptions take 4-6 months to get approved.

Not true! Both the Dept. of Veterans Affairs (VA) and the Dept. of Housing and Urban Development (HUD) mandate that lenders approve an assumption within 45 days of receiving the buyer's completed application. The vast majority of assumptions now take only 45-60 days to close from contract ratification.

Myth 2 Assumptions are bad for sellers.

False! Advertising the home's low-rate assumable mortgage is often in the seller's best interest. Homes advertised as being assumable receive more interest from buyers, field more open house attendees, sell faster, and often receive higher offers that net the seller more money.

Myth 3 VA loans can ONLY be assumed by veterans.

Negative! VA loans are assumable by ANYONE, including non-veterans (and even investors). The veteran selling their home does need to be willing to leave their VA benefits with the home in order to assume the mortgage. Read our Assumption Fact Sheet for the 5 most common scenarios when this happens.

Myth 4 Sellers are liable for the loan if the buyer defaults.

No, no, and nope. Assumption approval completes a full transfer of mortgage responsibility to the buyer. As part of this process, the seller is guaranteed a formal release of liability. Sellers are **NEVER** at risk of having their credit impacted if a buyer defaults on mortgage payments.

Myth 5 Veterans never leave their VA entitlement.

Au contraire! 20-30% of veterans leave their VA entitlement with the home. The 5 most common scenarios are outlined in our Assumption Fact Sheet. Your agent has received training and scripts for guiding listing agents and sellers through the decision process about whether to leave the seller's entitlement.