

Real Estate Terminology

What is an assumable mortgage?

An existing mortgage in which the new purchaser of a property is made liable for the payments and any other obligations of the note and mortgage. Depending on the type of loan, the new purchaser's assumption of these obligations may require a process of approval, and may or may not release the original borrower from future liability. A written release from the mortgagee (lender) is required for the original borrower to be relieved of responsibility for the payments.

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