

New Technology Quickly Identifies Assumable Mortgages

NORTHRIDGE, CALIFORNIA, USA, February 2, 2023 /EINPresswire.com/ -- Identifying assumable mortgages in the United States can help all industry stakeholders. FHA Pros, LLC has become the industry leader, using new technology to identify assumable mortgages quickly. It allows real estate agents, sellers, lenders, and servicers to assist their clients in benefiting from assumptions effectively.



Using the latest technology solutions allows [the experts at FHA Pros](#) to identify properties with an assumable mortgage attached. They immediately have access to the seller's loan details, providing buyers with the relevant information to make an offer to assume the seller's mortgage.

"At FHA PROS, we assist the buyer and the seller with the assumption process," says Christopher L. Gardner, Founder of FHA Pros. He continues, "Our technological solutions and loan assumption experts provide the seamless assistance required to ensure compliance with assumption rules, making the process easier for everyone."

Listing agents benefit from assumable mortgages because of the shortened contract period required for sales since there are no delays for things like setting up funding or getting appraisals. Meanwhile, servicers also continue to collect the same interest payments that would stop if the buyer was to obtain a new loan.

Buyers Benefit from Assumable Mortgages

Assumable mortgages let buyers take over an existing mortgage loan from a seller. In this rising interest environment, the interest rate savings and terms of the original loan remain the same, resulting in potentially hundreds of thousands of dollars in savings over the life of the loan.

There are about 11.4 million assumable mortgages in the U.S., making up 24% of all home mortgages. These are not conventional mortgages but loans backed by the Federal Housing

Association (FHA), the Department of Veterans Affairs (VA), or the United States Department of Agriculture (USDA).

These government-backed outstanding loans allow a qualified buyer to take over from the seller. Until recently, borrowing rates were low, meaning that most of these loans have interest rates of between 2.5% and 3%. Assumable loans weren't a well-known option until very recently. However, the demand for this financing mechanism has increased with the rise in home-loan interest rates.

All FHA, USDA, and VA mortgages are fully assumable by a buyer, meaning buyers can assume the existing rates and terms of these mortgages from the seller. Assumable mortgages give buyers significant savings from interest payments, costs, and the years required to repay the mortgage.

The buyer of an assumption mortgage enjoys the following benefits:

- Interest savings
- No new loan origination or funding fees.
- Shaves off potential years of payments
- No appraisal is required
- Possible mortgage insurance savings
- Pay no mortgage tax in states where it is applicable
- FHA buyers save on the 1.75% upfront mortgage insurance premium
- Faster processing
- Qualify for a higher sale price with a lower monthly repayment
- More buyers qualify when the repayment is less than that of a new mortgage

Seller Benefits of Assumption

Assumption also benefits the seller because the lower payment their loan offers, creates more demand as more people qualify for the lower payment, which translates to a more attractive property and higher sales price. Once the assumption is complete, the seller is forever released from liability on the mortgage, enabling them to obtain a new mortgage in the event they are purchasing a new home.

About FHA Pros

FHA Pros, LLC is a southern-California based company providing services and technology solutions for individual clients, affiliate partners, and organizations throughout the United States. They specialize in FHA loans in the condominium and townhome space.

The team of FHA approval experts understands the process of obtaining FHA approval based on their knowledge of the latest government developments and U.S. Housing Department of

Housing and Urban Development (HUD) guidelines. Using the buyer's financial statements, they determine eligibility and handle the entire application process to ensure speedy approvals for mortgage assumption and other loan approvals.

Navigating the complex web of HUD regulations and red tape requires experience, and the founders of FHA pros have more than 75 years of it working in the space of government mortgages and approvals.

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