

Subject Property/Departing Residence Owned Free & Clear

Mutual will no longer require a letter of explanation for a property that is owned free and clear.

Current Guidance

If subject property or departure residence is/was owned free and clear of any mortgages, the borrower must provide a signed letter of explanation confirming the property is/was owned free and clear and for what length of time. This is required to satisfy the 12-month housing payment history and must be congruent with information in the preliminary title report.

Please Note:

A letter of explanation, or additional supporting documentation, may be required upon review of credit findings, fraud guard, home insurance policies, title commitment, or other documents received that identify a discrepancy in the property being owned free and clear.