

ASSUMPTION ENTITLEMENT ACKNOWLEDGMENT**(VA FORM 26-10291)**

One feature of your Department of Veterans Affairs (VA)-guaranteed loan is that the loan is *assumable*. An assumption is where a purchaser agrees to purchase your home by taking over your mortgage obligation and property ownership. If the assumer (purchaser) is an eligible Veteran with sufficient entitlement, your assumption may also include a Substitution of Entitlement (SOE). The assumer (purchaser) must meet VA's SOE requirements listed below.

Any qualified purchaser (including a non-Veteran) may assume the remaining balance of your VA-guaranteed loan. The purchaser must meet VA's credit and income underwriting standards and the loan must be current at the time of closing. If the assumption is approved, you will no longer be responsible for the mortgage payment on the VA-guaranteed loan. However, your entitlement will still be tied to the loan unless the assumption includes a SOE. To complete an assumption with a SOE, the assumer must be an eligible Veteran who meets VA's SOE requirements and who is willing to substitute their entitlement for yours.

For any Assumption (with or without a SOE):

- the loan must be current, **and**
- the assumer must meet VA's credit and income underwriting standards.

For a SOE, the assumer must also:

- be eligible for a VA Home Loan Certificate of Eligibility (COE). Eligibility requirements are available at: <https://www.va.gov/housing-assistance/home-loans/eligibility/>.
- your loan holder or servicer should obtain the COE as soon as possible when processing the assumption.
- have enough entitlement available to substitute for yours. Enough entitlement means the assumer(s) has at least the same amount of entitlement available as the amount of entitlement originally used to guaranty the loan being assumed. The amount of entitlement tied to the loan will not be adjusted.
- meet VA's occupancy guidelines; that is, they must intend to occupy the property as their home.

Please note: A SOE may involve one or more Veteran assumers who are splitting their entitlement to substitute for yours. A SOE may not involve a Veteran and a non-Veteran (to whom the Veteran-assumer is not married) assumer as it would result in an adjustment to the amount of guaranty.

If a SOE is not completed, your entitlement tied to the loan will not be restored until the loan is paid in full. If the purchaser defaults and VA pays a claim due to a foreclosure, deed-in-lieu of foreclosure, short-sale, or VA loan acquisition, the loss (claim) amount must be repaid in full before your entitlement can be restored. You may still have remaining entitlement to obtain a new VA-guaranteed home loan. You should consider how an assumption without a SOE could impact your ability to use the VA-guaranteed home loan benefit in the future. Your servicer, lender or a VA Loan Specialist, can help you determine how much remaining entitlement may be available.

Additional information on VA home loan limits and remaining entitlement, is available on VA's website:

<https://www.va.gov/housing-assistance/home-loans/loan-limits/>.

If you have questions, you may contact VA by phone at 1-877-827-3702 Monday through Friday, between the hours of 8:00 am to 6:00 pm EST, or by submitting a request to our ServiceNow customer service portal at:

https://yourit.va.gov/csm?id=rlc_pathfinder.

Your entitlement will not be restored unless the assumer is an eligible Veteran with sufficient entitlement who also completes a Substitution of Entitlement (SOE) at the time as the assumption.

I ACKNOWLEDGE THAT the servicer has counseled me, and I fully understand the items set forth above.

Veteran's (seller) Signature

Date Signed