GUIDE · LOAN ASSUMPTION

The loan assumption playbook.

How to take over a seller's FHA, VA or USDA loan and keep its rate: the check, the math, the six steps and the words you will hear.

By the Liaison team, based in Queen Creek Updated October 2026 About 12 minutes

The short answer

IN ONE PARAGRAPH

With a loan assumption, you buy a home and take over the seller's existing mortgage: its interest rate, its remaining balance and its remaining years of payments. FHA, VA and USDA loans can be assumed when the buyer is eligible and the loan's servicer approves. Most conventional loans cannot. Up front, you pay the seller's equity, in cash or partly with a second loan. Liaison matches you, free, with an assumption specialist who handles the process from contract to closing.

What you take over when you assume a mortgage

01 · The rate: keep the seller's rate

The seller's interest rate comes with the home, so your rate does not reset to today's.

02 · The balance: owe what is left

You take over the remaining balance on the seller's loan, not a new loan for the full price.

03 · The years: pick up where they left off

Ten years into a 30-year loan? You take over the 20 years left, and the clock does not start over. A seasoned loan like that is past its most interest-heavy years.

Which loans can be assumed?

FHA Yes

You must be eligible, and the servicer reviews your credit and income before it approves.

VA Yes

Anyone who qualifies can assume one, veteran or not. If the buyer is not a veteran, the seller's VA entitlement stays with the loan until it is paid off. Sellers ask for a release of liability.

USDA Yes

You and the home must meet USDA's rules, and the servicer must approve.

Conventional Usually not

Most have a due-on-sale clause, which makes the balance due when the home sells.

FHA, VA and USDA loans are government-backed. Not every loan, buyer or home qualifies, so your specialist confirms eligibility and the servicer's requirements before you count on the rate. The listing agent can tell you which loan the seller has, or your specialist finds out for you.

How much cash do you need to assume a loan?

The down payment on an assumption is the seller's equity: the sale price minus the remaining loan balance. You pay it in cash, or partly with a second loan, plus closing costs.

Example numbers

Sale price	$450,000
Remaining loan balance	− $300,000
Seller's equity, paid up front	**= $150,000**

A second loan usually carries today's rates, so your specialist shows you the combined monthly payment before you make an offer.

The calculator on the loan assumption page turns your own numbers into the equity you would pay up front and the monthly payment you would keep. An estimate, not a quote.

How a loan assumption works, step by step

01

Tell us your goal

Say you want to assume a loan. It takes about two minutes.

02

Talk with a real person

Next, a real person from our team calls or texts you to talk through your goals.

03

Get screened for the loan

Your assumption specialist checks your finances against the program's rules, so you know what you qualify for before you make an offer.

04

Find a home with an assumable loan

Your specialist and an agent who knows assumptions help you find homes whose loans can be assumed, with each loan's rate, balance and years left.

05

Get under contract

Your agent makes the offer. Your specialist reviews the loan and the servicer and explains the timeline.

06

Servicer approval, then closing

The servicer reviews the file and approves the assumption. It takes longer than a new loan, and every servicer works differently, so your specialist tells you what to expect before you commit.

Assumption words you will hear

Assumable mortgage

A home loan a buyer can take over from the seller, with its rate, remaining balance and remaining years.

Loan assumption

Taking over that loan. The servicer has to approve it.

Seller’s equity

The sale price minus the loan balance. It is what you pay the seller up front.

Second loan

A separate loan that covers part of the seller’s equity, usually at today’s rates.

Servicer

The company that collects the payments on the loan. It reviews your file and approves the assumption.

Seasoned loan

A loan that has been paid on for years, past its most interest-heavy years.

Release of liability

The servicer’s written OK that the seller is no longer responsible for the loan.

VA entitlement

The part of a veteran's home loan benefit tied to their VA loan. It stays with the loan if the buyer is not a veteran.

Due-on-sale clause

Loan terms that make the balance due when the home sells. It is why most conventional loans cannot be assumed.

Loan assumption questions

Which mortgages can be assumed?

FHA, VA and USDA loans, when the buyer is eligible and the servicer approves. Most conventional loans cannot, because of a due-on-sale clause.

How much cash will I need?

The seller's equity plus closing costs. On a $450,000 home with a $300,000 balance, that is $150,000 of equity, which a second loan can partly cover.

Can I assume a VA loan if I am not a veteran?

Yes, if you qualify. The seller's VA entitlement then stays with the loan until it is paid off, so sellers ask for a release of liability.

Does the seller have to agree?

Yes. The seller agrees in the purchase contract, and the servicer has to approve you.

How long does an assumption take?

Longer than a new loan, because the servicer reviews the whole file. It depends on the servicer, and your specialist tells you what to expect before you commit.

Can I buy it as a rental?

Ask first. Some programs require you to live in the home, and your specialist checks the loan's rules for how you plan to use it.

Does Liaison charge me?

No. The specialist we match you with covers our service. You pay nothing, ever.

How we know

HUD’s FHA handbook (4000.1) on assumptions, VA’s rules on assumptions and release of liability, USDA’s guaranteed loan rules and the CFPB’s guide for home buyers. [Links added at build, and every line rechecked the week it ships.]

This guide explains how assumptions work. It is not loan advice or an offer of credit. Liaison is a concierge and referral service, not a lender or a brokerage. Equal Housing Opportunity.

BBB Accredited Business since October 2026.

Liaison is a concierge and referral service, not a brokerage or lender. Equal Housing Opportunity. Facts last checked October 2026.

Equal Housing Opportunity