

Loan Eligibility Requirements:

- Your mortgage loan must be current: The mortgage loan must not have been greater than 30 days past due more than once in the last 12-month period, or otherwise in default under the terms of the mortgage loan over the most recent 12-month period.
- At least 12 months has passed since your loan was originated.
- No obligated borrower is allowed to be released from liability on the loan.
- The priority of the mortgage lien must not be impacted by any claims of subordinate lienholders.
- The reduction in the value of the remaining property must not be greater than the amount of any cash consideration.
- The proposed action may not result in the property becoming inaccessible by public roads
- Any cash consideration paid for the release, less the expense of obtaining the release, must either be:
 - Applied to the outstanding mortgage loan debt or used for proposed property improvements after the release.
 - And, the cash consideration must be equal to or more than the fair market value of the property being released.
- The ratio of the unpaid principal balance, as reduced by any cash consideration, to the value of the property securing the mortgage loan after the release must not be higher than the loan to value ratio of the mortgage loan immediately before the release.
 - **FNMA or FHLMC Loans:** If you have a Fannie Mae or Freddie Mac loan, the borrower must reduce the mortgage loan balance by an amount sufficient to maintain the LTV ratio immediately prior to granting the release unless the current loan to value ratio is 59% or lower.
 - **VA Loans:** If you have a Veteran's Affair ("VA") loan, the consideration received for the release must be applied to the Unpaid Principle Balance unless the current loan to value ratio is 80% or lower.
 - **USDA Loans:** The borrower must receive adequate compensation. Any net cash proceeds must be used to reduce the principal balance of the outstanding debt or be used to improve the property. Unless the outstanding debt is paid in full the borrower should receive no cash from the transaction.

Property Valuation Requirements:

- An appraisal is required to determine the value of the property before and after the release of collateral. This value determination is used to calculate any required principal curtailment.
- Fees and costs for ordering an appraisal are non-refundable and will be assessed to your loan regardless if your request is approved or denied.

The cost of the appraisal is generally \$1,200, but varies depending on market conditions. *7 Servicing* will advise of the cost of the appraisal if it is at or under \$1,200, and will ask borrower's approval if the cost is more than \$1,200.
- **Do not order your own appraisal. The appraisal must be ordered by *7 Servicing*.**

Documentation Requirements:

- **A Completed Partial Release of Collateral Request Form**
- **Third Party Authorization Form**
 - To protect the privacy of our customers, *7 Servicing* requires written consent from the borrower to discuss any non-public information regarding any existing or prior serviced loan.

Is There A Fee Besides The Property Valuation?

- *7 Servicing* will assess you a fee of \$250 depending on state and contractual limitations. Fees are only charged for approved partial releases. *7 Servicing* will discuss fee payment options with you.

- **Sales Contract**

- An agreement between a buyer and seller covering the sale of your property.
- If the partial release request involves the sale of land to an individual, government agency, or company, a sales contract or offer showing the cash consideration must be provided.

- **Copy of Survey or Plat**

- A survey is used to determine a property's points and distances between them.
- A **copy** of a survey or plat from a licensed or qualified surveyor, showing the land to be released and the remaining land still secured by the lien, will be required.
- The complete dimensions, square footage or acreage and location of improvements to the land must be included.
- The survey must be **clearly** marked.
- The dwelling location must be included.

- **Proposed Partial Release and/or Modification Instrument**

- The proposed instrument must be prepared by an attorney or closing agent and include the following information:
 - The following clause must be contained in the Partial Release:
 - "It is expressly understood that the release of said parcel from the lien shall not in any way affect the lien of said Deed of Trust/Mortgage upon the remaining land thereby subject to the Deed of Trust/Mortgage."
 - The name of the mortgagor, the name of the mortgagee, date of the mortgage, date of recording, and the volume and page number or document number of the mortgage in the real property records.
 - A statement that the entity or person executing the release is the current holder, owner, assignee, or successor of the mortgagee's interest in the mortgage.
 - A legal description of the real property being released from the mortgaged property.
 - If MERS language is found in the Deed of Trust/ Mortgage, then the document must be prepared according to the MERS requirements.
 - Must be recorded in the land records after approval and a recorded copy provided to *7 Servicing*.

- **Additional Requirements:**

- USDA Loans:
 - Complete any additional forms required by the state laws in which the property is located;
 - A list of unpaid special assessments to the property, if any, and the total amount payable;
 - Update the legal descriptions of the property, as necessary; and
 - For an exchange of all or a portion of the security property, obtain title clearance for the new security before the release of the existing security. Security instruments must be obtained for the new property.
- Fannie Mae Loans:
 - Application for Release of Security Form (Form 236); and
 - The 1st page of Application for Release of Security (Form 236) must be fully completed and signed.
 - A title insurance endorsement reflecting the change for a Partial Release must be obtained to maintain the coverage of your existing title policy. Costs vary by state and closing agent and can range from \$75–\$150+.



PARTIAL RELEASE OF COLLATERAL REQUEST FORM

Loan Number

Borrower's Full Name

Property Address Street / City / State / zip

Please complete the steps below:

STEP 1. Review the Partial Release Request Requirements. If you have any questions, please contact our Customer Service department at 877.313.9677 Monday–Friday: 9:00 AM–5:00 PM ET.

STEP 2. Purpose of Proposed Action: Discuss the goal of the requested action. For example, the future use of any additional land or new easement, the reason for any release or subdivision, or proposed use of any land to be obtained via eminent domain action. Also discuss any restrictions or how the use of the property will be impacted by the change. Use additional paper if necessary.

Cash Consideration to be received through transaction: \$ _____
Size of property as a whole (before requested action) in square footage or acreage: _____
Size of Property to be Added, Released, Leased or Included in Easement in square footage or acreage: _____
Size of property to be retained/kept (before requested action) in square footage or acreage: _____

STEP 3. Gather and attach all required documents listed below. Please check each required and/or applicable box.

- Sales Contract
- Copy of Survey or Plat with Location of Dwelling Clearly Marked
- Proposed Instrument (ex. Partial Release or Easement Agreement)
- Third Party Authorization Form*, which can be obtained at <https://www.ornlfcuserVICING.com/#/forms>
- For FNMA Borrowers***: A completed Application for Release of Security (Fannie Mae Form 236), which can be obtained at <https://singlefamily.fanniemae.com/selling-servicing-guide-forms>
- Other (Specify): _____
- The loan meets all eligibility requirements listed on the Partial Release Request Requirements page to the best of your knowledge.

STEP 4. Your signature indicates your consent for 7 Servicing to order an Appraisal to confirm the value of your property and a Title Policy Endorsement* to maintain the coverage of your title policy. The price of the Appraisal and Title Policy Endorsement will be billed to your account, regardless if your request is approved or denied. You understand if your request is submitted incompletely and/or additional documentation is needed from you and it is not received within 30 calendar days, your request will be closed, and you will need to start the processes over again.

Please Note: Failure to sign the fee acknowledgement may not relieve you of being billed either the Appraisal or Title Policy Endorsement fee*, to your account based on the terms of your security instrument.

Signature

Date

STEP 5. Submit this completed form along with the \$250.00 processing fee and supporting documentation to:

Email: 7servicing@7.coop
Mail: 7 Servicing
ATTN: Partial Release Request
2077 Town Center Blvd, Suite 304
Knoxville, TN 37922
Fax: 865.813.0112

Overnight Address:
7 Servicing
ATTN: Partial Release Request
2077 Town Center Blvd, Suite 304
Knoxville, TN 37922