Activity #3 – Completing an Assumption Transaction

This practice activity provides you with a fictitious, but realistic scenario regarding an assumption. In the scenario, the Gumps are purchasing an existing home from a couple who have an existing Rural Development loan on the home. Details regarding the transaction and questions regarding "next-steps" are provided.

Activity #2 Instructions:

- ✓ Read the scenario below.
- ✓ Complete a loan write-up and show how much money you need to order for the equity.
- ✓ Prepare a response to the question based upon information in related resources (i.e. HB-1-3550 and Regulations).
- ✓ Discuss your response and the loan-write up created with your trainer.

Mr. and Mrs. Gump are purchasing an existing home from Mr. and Mrs. Moon. The Moon's have an existing Rural Development loan on the home, which Mr. and Mrs. Gump will assume. The purchase price on the home is $100,000 and has appraised for $100,000. CSC has given a payoff balance from the assumption department as of June 1 of $56,540.00 with daily interest accruing at $7.55 daily.

NOTE: BE SURE YOU GET A PAYOFF FROM THE PROPER PAYOFF DEPARTMENT HANDLING ASSUMPTIONS.

Their last payment was made on April 27. The payments come due on the 26th day of each month. The next payment due on this loan is May 26. The loan is scheduled to close on June 1.

Question to Answer:
What should you do about the payment that is coming due on the 26th of May?