



Land Transaction Request Requirements

I. Eligibility Requirements*

**Some of the below requirements may not be applicable to requests for Easements and Right of Way.*

- > The mortgage loan must be current.
 - o The mortgage loan cannot have been greater than 30 days past due at any time within the last 12-month period.
- > At least 12 months has passed since the loan was originated.
- > No obligated borrower can be released from liability on the loan.
- > The priority of the mortgage lien must not be impacted by an claims of subordinate lien holders.
- > 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 be either:
 - o Applied to the outstanding mortgage loan debt or used for proposed property improvements after the release.
 - o 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.
 - o Fannie Mae (FNMA) or Freddie Mac (FHLMC) Loans: The borrower must reduce the mortgage loan balance by an amount enough to maintain the LTV ratio immediately prior to the granting the release unless the current loan to value ratio is 59% or lower.
 - o Veteran's Affair (VA) Loan: the consideration received for the release must be applied to the unpaid principle balance (UPB) unless the current loan to value ratio is 80% or lower.
 - o 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. The borrower will receive no cash from the transaction unless the outstanding debt is paid in full.

II. Appraisal 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 reduction.
- > Fees and costs for ordering an appraisal are non-refundable and will be assessed to your loan regardless if your release request is approved or denied.
 - o The cost of an appraisal is generally \$1,200, however may vary depending on market conditions. Shellpoint Mortgage Servicing (Shellpoint) 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 Shellpoint.**

III. Documentation Requirements

1. Completed Land Transaction Request Form

2. Third Party Authorization Form

- To ensure the privacy of our borrowers is protected, Shellpoint requires written consent from the borrower to discuss any non-public information regarding any existing or previously serviced loan.

3. Sales Contract

- The agreement between the 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 a company, a sales contract or offer showing the cash consideration must be provided.

4. Survey or Plat Map

- A survey is used to determine the 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 is 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.

5. Draft Instrument / Modification Agreement

- The draft instrument must be prepared by an attorney or closing agent and include the following information:
 - **REQUIRED CLAUSE:**
 - *"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 the recording, and the volume and page number and/or document number of the mortgage in the county land records.
 - A state that the entity of 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 follow MERS documentation requirements.
 - Must be recorded in the county land records after approval and a recorded copy provided to Shellpoint Mortgage Servicing.

6. Additional Documentation Requirements

- Fannie Mae (FNMA) Loans:
 - Application for Release of Security Form (Form 236); and
 - The first (1st) page of Form 236 must be fully completed and signed by all borrowers.
 - A title insurance endorsement reflecting the change for a Partial Release must be obtained to maintain the coverage of the existing title policy.

- Costs vary by state and closing agent. Costs can range from \$75 - \$150+.
- USDA Loans:
 - Complete any additional forms required by the respective 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 to 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.



Land Transaction Request Form

Borrower Full Name: _____ Property Address: _____
Borrower Full Name: _____ City, State, Zip: _____
Loan Number: _____ Email: _____

The following steps must be completed.

Step 1: Review the Land Transaction Request Requirements document.

If you have any questions, please contact Shellpoint's Customer Service department at 800-356-7107.

Step 2: Explanation of the Proposed Course of Action.

Example – The future use of any additional land or new easement, the reason for the release or subdivision, or proposed use of any land to be obtained via eminent domain action. Ensure that any restrictions or how the use of the property will be impacted by the change are also indicated. Use additional paper if necessary.

Cash Consideration to be received through the transaction: \$ _____

Size of property (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 (after requested action) in square footage or acreage: _____

Step 3: Gather and attach all required documents indicated below.

- Sales Contract
- Survey or Plat with location of dwelling clearly marked
- Draft Instrument (ex: Partial Release or Easement Agreement)
- Third Party Authorization Form
- FNMA Borrowers*: Application for Release of Security (FNMA Form 236)
- Other (Specify): _____
- This loan meets all the eligibility requirements contained on the Land Transaction Request Requirements to the best of your knowledge.

Step 4: Acknowledgement & Consent

Your signature indicates your consent for Shellpoint Mortgage Servicing to order an appraisal to confirm the value of your property and the Title Policy Endorsement* to maintain 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 process over again.

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 upon the terms of your security instrument.

Borrower Signature

Date

Borrower Signature

Date

Step 5: Request Submission

Submit this fully completed, legible form and supporting documentation to:

Email: partialrelease@shellpointmtg.com

Mailing Address: Shellpoint Mortgage Servicing
ATTN: Doc Curative – Land Transactions
75 Beattie Place, Suite 600
Greenville, SC 29601

**If Applicable*



Third Party Authorization Form

Please complete this form in its entirety. To protect the privacy of our customers, Shellpoint Mortgage Servicing (Shellpoint) requires written consent from the borrower(s) to discuss any non-public information regarding existing or previously serviced loans.

Step 1: Borrower Contact Information

Loan Number: _____
 Borrower Full Name: _____ Borrower Full Name: _____
 Primary Phone: _____ Email: _____
 Mailing Address: _____ Property Address: _____
 City, State, Zip: _____ City, State, Zip: _____

Step 2: Authorized Third Party's Contact Information

Authorized Party or Organization: _____

In the section below, please indicate that type of relationship that you have with the Authorized Third Party.

- Personal or Legal Relationship: Spouse/Relative Attorney Other (describe above)
 Business or Contract Relationship: Realtor/Title Company Counseling Agency Contractor

Authorized Party Address: _____
 Authorized Party Phone: _____ ATP Password: _____

Step 3: Timeframe of Authorization

Effective until (MM/DD/YYYY): _____ / _____ / _____

- The authorization will remain for the timeframe selected unless revoked in writing. If an expiration date is not provided, then the authorization may remain until the maturity date of the loan.
- For personal or legal relationships: the authorization may last for the life of the loan and the authorized party may be able to make changes to the account.
- For business or contract relationships: the authorization will not exceed ninety (90) days but can be less if the expiration date provided is less than 90 days from the date the completed form is received. The authorized party will not have access to

Step 4: Acknowledgement & Consent

I hereby authorize the above-referenced individual(s) to obtain information regarding and/or make changes to my mortgage loan identified above. Shellpoint will take responsible steps to verify the identity of the Authorized Party, including the request of additional identifying information, but will have no responsibility or liability to verify the identity of the Authorized Party.

Borrower Signature

Date

Borrower Signature

Date