



Request for Partial Release of Mortgage

The following requirements and documentation is needed for a loan to be reviewed for a partial release by Michigan First Mortgage Servicing.

Loan Eligibility

- ✓ Current Loan Status, your loan must not have been 30 days past due in the last 12-months, 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.
- ✓ The cost for the Partial Release is \$250.00. This fee is due upfront and is for a release of property only, obligated borrowers may not be released from loan liability.
- ✓ The priority of the mortgage lien must not be impacted by any claims of subordinate lien-holders.
- ✓ 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.
- ✓ 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.

Property Valuation

An appraisal is required to determine the value of the property before and after the release of collateral. Fees and costs for ordering an appraisal are non-refundable regardless if your request is approved or denied.

- ✓ The cost of an appraisal is generally \$475, but may vary depending on market conditions and could cost up to \$700 or more per appraisal.
- ✓ Appraisal will be ordered and completed by a licensed appraiser selected by Michigan First Mortgage Servicing.

Required Documentation

- ✓ A Completed Partial Release of Mortgage Request Form (see page 3)
- ✓ Third Party Authorization Form: Michigan First requires written consent from our members to discuss any non-public information regarding any existing or prior serviced loan to protect your privacy.
- ✓ Title Search indicating there are no subordinate liens associated with this property.
- ✓ Sales Contract: a written agreement between a buyer and seller covering the sale of your property.

- ✓ Copy of Survey or Plat: a survey is used to determine a property's points and distances between them. Survey requirements are as follows:
 - Completed by a licensed or qualified surveyor
 - Must show the land to be released, the remaining land still secured by the lien, and must be clearly marked with the dwelling location.
 - The complete dimensions, square footage or acreage and location of improvements to the land must be included.

Partial Release Instrument

The partial release document must be prepared and recorded by an attorney or closing agent. The proposed instrument (the partial release) must 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.

Partial Release of Collateral Request Form

Loan Number: _____

Property Address: _____

Borrower's Full Name: _____

(City, State, Zip Code) _____

Please complete the steps below:

Step 1. Review the Partial Release Request Requirements. If you have any questions, please contact our Mortgage Servicing Team at 800-664-3828 Ext 4718 M-F 8:30am – 5:00pm EST.

Step 2. Provide details for the potential partial release scenario, and why you want the release. Explain how the released portion of the land will be used and if any cash consideration will be received. Please use additional paper if necessary.

Cash Consideration: \$ _____

Size of property as a whole (before security is released) in square footage or acreage: _____

Size of property to be released (proposed land release) in square footage or acreage: _____

Size of property to be retained/kept (after security is released) in square footage or acreage: _____

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

- Sales Contract
- Copy of Survey or Plat
- Title Search
- Proposed Partial Release Instrument
- Third Party Authorization form
- Completed Application for Release of Security (Fannie Mae Form 236), If Applicable
- Best phone number to contact for appraisal scheduling: _____

Step 4. Complete and sign below. Your signature indicates you fully understand all of the requirements associated with the partial release. You understand the upfront cost of the release is \$250 and is nonrefundable. You understand not to order your own appraisal; appraisal will be ordered by Michigan First Mortgage Servicing and is NOT a guarantee that the partial release will be granted.

If your request is submitted incompletely and/or additional documentation is needed from you but not received within 30 calendar days, your request will be closed, and you will need to start the processes over again. Upon receipt of this signed form we will contact you for any additional information and/or additional appraisal costs outside of the \$475.

Signature of Borrower

Date

Signature of Borrower

Date

Step 5. Please mail this completed form, supporting documentation, and \$725.00 fee to:

Michigan First Mortgage Servicing
27000 Evergreen Rd.
Lathrup Village, MI 48076