



A BEGINNER'S GUIDE TO ASSUMABLE MORTGAGES

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About Kelly Saggione

When it comes to Gilbert real estate, Kelly is your go-to expert. Ranked among Arizona's top 1% of agents with over \$100 million in sales, she brings unmatched experience and a genuine passion for helping clients succeed.

Kelly knows Gilbert inside and out—from the best neighborhoods to hidden investment gems—and she's committed to helping you find not just a house, but the right home in the right community.

As a seasoned realtor, investor, and mentor, Kelly offers more than real estate guidance—she provides a smart, strategic, and personalized approach every step of the way.

Let this guide be your first step toward discovering why Gilbert is one of Arizona's most desirable places to live—and how Kelly can help you thrive here.

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WHAT'S AN ASSUMABLE MORTGAGE?

An assumable mortgage is a home loan that a buyer can take over, or “assume,” from the seller—usually with the same interest rate and loan terms.

- ✓ Instead of getting a brand-new loan at today's rates, you take over the seller's existing mortgage.
- ✓ This can be a big deal if the seller's interest rate is much lower than current rates!

WHY IS IT VALUABLE?

Interest rates have risen in recent years. Many homeowners have locked in low rates—sometimes below 3% or 4%—while current rates are higher.

👉 Example: If a seller's mortgage has a 3% interest rate and today's rates are 6%, you're saving thousands of dollars in interest over the life of the loan.

Assuming a mortgage can mean:

- 💰 Lower monthly payments
- 💰 Lower total interest paid over time
- 💰 Easier qualification in some cases

WHAT LOANS CAN BE ASSUMED?

Chapter 3: Which Loans Can Be Assumed?
Not every loan is assumable. Here's what typically is:

✓ FHA Loans – These government-backed loans are usually assumable.

✓ VA Loans – VA loans can also be assumed, even by non-veterans (with some rules).

✓ USDA Loans – Also assumable, though less common.

✗ Conventional Loans (like those from Fannie Mae and Freddie Mac) typically are not assumable.

HOW DOES THE PROCESS WORK?

Here's a step-by-step:

Get the seller's mortgage details – This includes the interest rate, balance, and monthly payment.

Apply with the lender – Even though you're taking over an existing loan, the lender still needs to approve you.

Qualify – The lender checks your credit and income to ensure you can afford the payments.

Cover the difference – If the seller owes less than the home's price, you'll need to pay the difference (the "equity") in cash or with a second loan.

Finalize the paperwork – Once approved, the mortgage is transferred to your name.

PROS AND CONS

Pros

- ✓ Lower interest rates
- ✓ Lower payments
- ✓ Potentially easier qualification (depending on the lender)

Cons

- ✗ Need cash to cover the seller's equity
- ✗ Not all loans are assumable
- ✗ Must still qualify with the lender

REAL LIFE EXAMPLE

Let's say you're buying a home for \$400,000, and the seller owes \$300,000 on an FHA loan at 3%. You could:

- Assume the \$300,000 mortgage at 3%.
- Pay the seller \$100,000 to cover their equity (either from your savings or a second loan).
- Enjoy the low interest rate and save money each month!

IS AN ASSUMABLE MORTGAGE RIGHT FOR YOU?

Ask yourself:

- ✓ Does the home have an assumable loan (like FHA or VA)?
- ✓ Is the interest rate significantly lower than today's rates?
- ✓ Can you cover the difference between the mortgage balance and the home price?

If the answer is yes, it's definitely worth considering.

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NEXT STEPS

Ready to explore assumable mortgages for your next home?

Here's what to do:

 Talk to an experienced real estate agent – They can help you find homes with assumable loans and guide you through the process.

 Get pre-approved – Even for an assumption, lenders need to check your finances.

 Have questions? Reach out to me anytime! I'm here to help you make the smartest choice for your home purchase.

I can send you a list of all the homes for sale with assumable mortgages in the East Valley!

Looking to sell or buy in the East Valley?

I'm Kelly and I've been a Gilbert real estate agent for almost **15** years. I've advised hundreds of clients on their home sales and/or purchases.

If you're ready to discuss a personalized plan of action to achieve your real estate goals in this current market, send me a DM to get the process started.

Talk soon,
Kelly

