

**Payoff Procedure Disclosure**

*[In response to prepayment inquiry, request for payoff, or tender of prepayment in full]*

PAYOFF PROCEDURE DISCLOSURE

Borrower: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_ Loan #: \_\_\_\_\_  
\_\_\_\_\_ FHA #: \_\_\_\_\_

This is in reply to your  [date]  inquiry/request for payoff figures or offer to tender an amount to prepay in full your FHA-insured mortgage which this company is servicing.

This notice is to advise you of the procedure which will be followed to accomplish a full prepayment of your mortgage.

[Mortgagee]  will:

- accept the full prepayment amount whenever it is paid and collect interest only to the date of that payment; or
- only accept the prepayment on the first day of any month during the mortgage term; or accept the prepayment whenever tendered with interest paid to the first day of the month following the date prepayment is received;
- require at least 30 days prior written notice of your intent to prepay the mortgage (for mortgages insured prior to August 2, 1985). We consider that the 30-day written notice has not yet been complied with. NOTICE MUST BE IN WRITING;
- consider that we have received notice of your intended prepayment and the 30-day notice began to run on  [date] .

*[Instructions for the Mortgagee: Insert the following sentence for a mortgage closed before January 21, 2015 if applicable.]*

NOTE: Because your loan provides for the collection of interest through the end of the calendar month in which your prepayment is received, it is to your advantage to ensure that the prepayment reaches us as close to the end of the month as possible, but no later than the first work day of the month.

If you have any questions regarding this notice, please contact  [name and/or department]  at  [telephone number] .

\_\_\_\_\_  
Mortgagee

Attachment: Payoff Statement