



# SUBJECT TO OFFERS

## *What to Know Before You Decide*

When a property is sold “subject to” an existing loan, the structure of the deal works differently than a traditional sale. These transactions can feel like a solution—but they also come with important considerations that should be clearly understood before moving forward.

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### **What Does “Subject To” Mean?**

In a “subject to” transaction, you would transfer ownership of the property, but your existing mortgage would stay in your name.

**The loan is not paid off at closing.**

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### **What Should You Be Aware Of?**

#### ◆ Your Loan Stays in Your Name

Even after the sale, the lender still looks to you as the borrower.

If anything happens with payments, it remains tied to you.

#### ◆ Payment Risk

If payments are late or stop, the lender will still contact you.

Late payments will be reported under your name to the credit reporting agencies.

#### ◆ Due-on-Sale Clause

Most mortgages allow the lender to call the loan due if ownership transfers.

This doesn’t always happen immediately, but it is something to factor into your decision.



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### ◆ Ownership vs. Control

After closing, you would no longer control the property—  
but your name would still be tied to the loan.

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### How to Approach This Decision

#### ◆ This Is Not a Standard Transaction

“Subject to” deals go beyond typical real estate transactions and involve additional considerations.

#### ◆ Get the Right Guidance

It’s important to have a **real estate attorney review the structure** and explain how it applies to your specific situation.

#### ◆ This Is Your Decision

There may be situations where this structure makes sense, depending on your goals and comfort level.

The key is making sure you fully understand how it works before deciding.

#### ◆ Take Your Time

This is not a decision that needs to be rushed.

Taking time now can help avoid unexpected issues later.



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### **If You Are Considering Moving Forward**

- Have an attorney review the full structure
- Make sure all terms are clearly documented
- Confirm you understand how the loan will be handled long-term

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