**LPA (Local Public Agency) Partial Mortgage Release Instructions\***

**\* Partial mortgage releases are needed on FEE, PLE, and HE acquisition; not TLE acquisitions.**

Once you have a preliminary plat, identify all parcels requiring permanent interests. Follow these instructions for those parcels:

1. Analyze title work
* Analyze the title work as soon as possible identify all parcels with mortgages. This indicates how many appraisals may be needed for partial releases.
1. Contact lenders
* Determine the lender’s requirements to obtain a partial release; some may not require an appraisal.
* Establish a point of contact with the lender. Keep that information for future releases.
* Lenders may require:
	+ Appraisal
	+ Right of way plat
	+ Legal Description
	+ Processing fees
	+ Third party authorization form
	+ Purchase agreement
	+ Closing statement
	+ Partial release document (some lenders may require you to draft the partial release).
* Lenders may not discuss requirements with you before obtaining property owner authorization
1. Meet with property owner (initiation of negotiations)
* When meeting with property owners, inform them of the need for, and explanation of, a partial release. Tell them that their lender may need part, or all their compensation to be paid to the principal of the loan to release the property to be purchased.
* Include the third-party authorization form (some lenders will only accept their own). If the lender does not have one, use the standard authorization form.
1. Send signed documents and payments to lender
* As soon as possible, send the third party authorization form to the lender. This will allow you to work on the property owner’s behalf. It may take up to several weeks for approval.
* Work with the lender to send the required documents and payments to them for processing.
* Get a written statement from the lender saying whether they want to be named on the check.

Tips

* Property owners may not know what a partial release is. It may be helpful to explain it is like selling a home. They would need to satisfy the outstanding balance on their mortgage. The same principle applies to selling only a part of their property. The lender must release that part of the mortgage, no matter how small, to get clear title.
* MERS (Mortgage Electronic Registration Systems) Mortgagee on title may read similar to: *Mortgage from John and Sue Smith to Mortgage Electronic Registration Systems, Inc. acting solely as nominee for lender, “Lenders Name Here,” and its successors and assigns in the amount of $200,000 dated January 1, 2000 and recorded January 3, 2000.*
* First, find out who is the current lender. MERS acts as mortgagee in the county land records for the lenders. Future assignments of any MERS mortgagee loans will not be recorded and therefore, will not show up on a title search. To find the current lender you must go to the MERS website and enter the 18 digit Mortgage Identification Number (MIN), which is found on the original mortgage document which should be in the title search.
* From here, you should be able to proceed with the normal partial release process.