

Direct Debt Payoff / Lien Payoff Overview

HELOC proceeds can be used to pay off debt for consolidation or qualifying. The Direct Debt payoff option can be used to pay off credit cards, personal loans, auto loans, most home improvement loans & the most junior lien.

Direct Debt Payoff Criteria

- Account(s) must be listed on soft pull and matched to Method/Intellidebt (debt payoff vendor)
- Account(s) must be in good standing
- Revolving/credit card debt payoff – Account(s) will remain open
- Revolving account payment(s) are excluded from DTI when meeting the following requirements:
 - 680 minimum credit score
 - No revolving accounts in charge-off status
 - ≤ 20% credit card monthly payment to stated income ratio
- Installment loans (non-mortgage) may be excluded if open for at least 12 months
- State restrictions apply to lien payoff. Not allowed in DE, HI, ID, MD, SC, TX, UT, WV.

Debt Payoff during Offer Selection:

- After an offer is selected, if debts are eligible to be paid off with proceeds the **Loan Breakdown** will display a **Get Started** button
- Eligible accounts may be selected from the **Available** list for pay off
- Accounts that are **Unavailable** to be paid off will be listed on a separate tab and include the reason for ineligibility
- Manual debt entry is not allowed, debts must be matched via Intellidebt
- Borrower can make adjustments to selections up to **Final Offer Selection** stage

Note: An offer must be selected to generate the Loan Breakdown with debt payoff option

Loan Breakdown

Borrower will have the option to modify loan amount, o-fee and terms, after receiving link to continue application

Total draw amount	\$100,000
Cash required at closing	\$0
Fixed Term	30 yrs./360 mo.
Origination Fee (Deducted from total)	2.99% \$2,990
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Total loan amount	\$102,990
<small>Initial draw amount + origination fee</small>	
Est. Monthly Payment ⓘ	\$738

Pay-off high interest rate debts

Use HELOC proceeds to pay off high rate debt

- ✓ Lower monthly payments
- ✓ Higher loan amount**

Monthly Payment Reduction

\$1,526*

Get Started

*This information is provided for illustrative and educational purposes only, and all payment reduction calculations are estimates. [Read more](#)

**Potentially qualify the borrower for a higher HELOC max loan amount by paying off their personal loan debt

Borrower has 14 calendar days from when Loan Officer submits inquiry to complete their application, including income and identity verification.

Available Debt Payoff

Debts that are eligible to be paid off will be reflected in one of the following ways:

- 1 1st page will reflect debts that are estimated to reduce monthly payments
- 2 2nd page will reflect debts that are estimated to increase monthly debt payments

1
Available (6) Unavailable (6)

Select the debts you wish to pay off. Funds for pay off will be disbursed to your creditors upon completion of the application process.

Unsecured Debts

<input checked="" type="checkbox"/> Volvo Cars Auto Loan ****4512 <small>Auto Loan</small>	\$60,839.60 <small>5.70% APR</small>
<input checked="" type="checkbox"/> Chase Credit Card ****1580 <small>Credit Card</small>	\$18,666.88 <small>20.50% APR</small>
<input checked="" type="checkbox"/> KeyBank Personal Loan ****3892 <small>Personal Loan</small>	\$12,341.00
<input checked="" type="checkbox"/> Wells Fargo Credit Card ****0332 <small>Credit Card</small>	\$6,813.00 <small>18.00% APR</small>
<input checked="" type="checkbox"/> Barclays Bank Credit Card ****8382 <small>Credit Card</small>	\$1,216.61 <small>21.50% APR</small>

Next
Cancel

2
Available (6) Unavailable (6)

Increase your max loan amount and get extra cash in your pocket by paying off your existing liens below. Your existing liens will be closed and released upon payoff. Additional draws will be suspended for any existing HELOCs selected for payoff.

Note: this may increase your monthly debt payments.

Secured Debts

<input checked="" type="checkbox"/> Chase Mortgage ****4323 <small>Mortgage*</small>	\$100,000.00 <small>10.50% APR</small>
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*Balance information is an estimate of the amount required to pay off your secured debt. Note: this may increase your monthly debt payments.

See Loan Terms
Back

Debt Payoff to Qualify:

- If no offers are generated due to DTI exceeding guidelines, the borrower will have the option to select debts to pay off on the asset depletion screen
- The automated underwriting system will re-run based on updated information and available options will be reflected

Debt Payoff

Use a portion of HELOC proceeds to payoff other debts and potentially qualify for offers

<input checked="" type="checkbox"/> KeyBank Personal Loan ****3892 <small>Personal Loan</small>	\$12,341.00 <small>9.81% APR</small>
<input checked="" type="checkbox"/> Sheffield Financial Personal Loan ****6612 <small>Personal Loan</small>	\$4,757.00 <small>1.95% APR</small>

* You may include income that is considered community or marital income in your state.
** Disclosure of alimony, child support, or separate maintenance payments is not required.

Cancel
Save and Continue

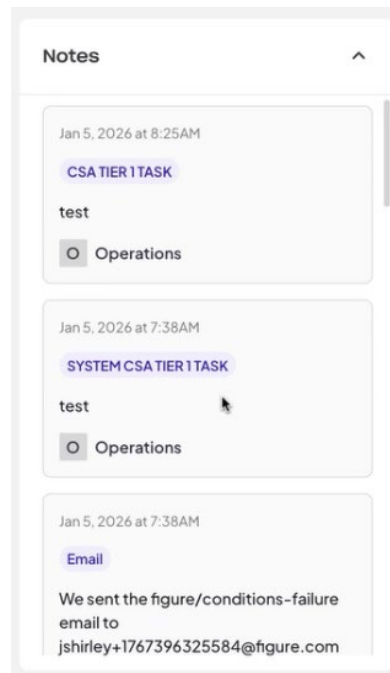
Lien Payoff

If borrower chooses a lien to be paid off with HELOC proceeds, the following process will be initiated automatically:

- Payoff request is processed through Stewart Title
- Stewart will obtain payoff statement, fund disbursement to the lien holder, and validate lien release
- In cases where Stewart Title requires assistance from the borrower to obtain payoff, the Loan Officer contact will be notified via email
 - Notes will be available on the portal detailing what is required
- Borrower can proceed through income and identity verification while payoff is being obtained
- File will be placed in Payoff Request Pending status – can take up to 14 days
- Once payoff is received, final disbursement figures will be calculated and final underwriting completed

Stewart Title may reach out to the MLO on the file to help facilitate contact with the borrower.

Email Information
Address: SVS.TITLE@stewart.com
Subject: FIGPAY#####: Address of applicant: Re: Additional Information Needed for your Loan Processing



Funding and Lien Release

- When funds are disbursed, the lien payoff funds are sent to Stewart Title for lien payoff
- Post closing lien release validation can take up to 45 days

Unavailable Debts

If a debt listed is not eligible to be paid off, a Status Message will be provided as shown below:

Status Message	Definition
NO_MATCHED_TRADELIN	<ul style="list-style-type: none"> No matched tradeline found
NO_MATCHED_LIEN	<ul style="list-style-type: none"> No matched lien found
NO_STATE_ELIGIBILITY	<ul style="list-style-type: none"> State eligibility not met
ABOVE_MAXIMUM_BALANCE	<ul style="list-style-type: none"> Balance exceeds allowable amount
EXCLUDED_BY_CREDIT_SCORE	<ul style="list-style-type: none"> Credit score < 680
EXCLUDED_BY_CHARGED_OFF_ACCOUNT	<ul style="list-style-type: none"> Charged off account
EXCLUDED_BY_CREDIT_CARD_TOTAL_ACCOUNT_DTI	<ul style="list-style-type: none"> Credit card DTI > 20%
EXCLUDED_BY_NEXT_MIN_PAYMENT	<ul style="list-style-type: none"> Missing next minimum payment amount
EXCLUDED_BY_MONETARY_BALANCE	<ul style="list-style-type: none"> Missing account balance
EXCLUDED_BY_MONETARY_ORIGINAL_LOAN_AMOUNT	<ul style="list-style-type: none"> Missing original loan amount
EXCLUDED_BY_PAYMENT_CAPABILITY	<ul style="list-style-type: none"> Unable to make balance payment
EXCLUDED_BY_SUBSCRIPTION_CAPABILITY	<ul style="list-style-type: none"> Unable to update balance
EXCLUDED_BY_SENSITIVE_ACCOUNT_CAPABILITY	<ul style="list-style-type: none"> Unable to access account numbers

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