



Dower release explanation

Spouse of Buyer/Borrower

Ohio and Kentucky are Dower States, so a spouse is required to sign to release Dower, except on cash purchases, even though they don't own the property and are not on the loan. Why? What is Dower? Dower is a spouse's possible interest in an owner's land. Dower kicks in and attaches the land when an owner dies. Because death is uncertain, the spouse's Dower could attach at any time. If a married person signs a mortgage without their spouse, and then dies, the Dower interest can be claimed in front of the Bank's claim on the property. No Bank will allow that possibility.

The Note. The spouse who is not on the loan **does not** sign the Note. The Note is the **loan**, and the agreement to pay back money. Dower release does not obligate a spouse on a loan or payments.

The Mortgage. The spouse will be asked to sign the mortgage. The mortgage authorizes the bank to use the property as collateral for the loan. This does not obligate the spouse on the Note or Loan, but allows a release of Dower if the property is foreclosed due to non-payment.

The T-I-L. The spouse may be asked to sign a T-I-L. (Truth-in-Lending). The T-I-L is a disclosure form, not an agreement for a loan. Lenders often require signatures from all interest holders, including Dower interest holders.

The Rescission form. On a refinance of a primary home, the spouse **MUST** sign a Rescission form. This states that there are 3 days to cancel the closing no matter what documents are signed in a closing.

Deed - Spouse of Seller

Upon sale, the Spouse releases Dower by signing the deed. If the spouse does not sign the deed, Dower will prevent the buyer from selling or refinancing the property in the future. This dower release deed can not be to their own spouse. It **MUST** be to the buyer to release Dower.

WHAT THE DOWER RELEASE SIGNATURE DOES **NOT** DO.

1. Does not Obligate the spouse on the loan. The only way to obligate the spouse on the loan is to have them sign the Note. If a spouse does not sign the note, the bank cannot proceed against them for payments. The bank can only proceed against the Note signer and the property. Also, a foreclosure for non-payment should not affect the non-signer's credit because they are not on the loan.

2. Does not Release Dower for Future transactions. Signing a Dower release for a loan does not permanently release Dower if the owner still owns the property. Dower is only released if that loan is foreclosed or if there is a divorce. If the loan is never foreclosed, and they remain married, then the spouse still has Dower and must release Dower again if the property is sold or refinanced.