



## Renovation and Construction Financing

All types of homeowners and homebuyers can enjoy the benefits of the Home Mortgage Renovation financing program. Any qualified customer who plans to purchase or refinance a primary residence, vacation home or an investment property to make renovations is eligible to apply.

Qualified borrowers can choose a fixed or adjustable-rate loan that is based on the after-improved value of the property. The loan can cover the cost of minor and major repairs/additions/renovation as well as the purchase price or any existing lien, minus the required borrower investment.

### Program Summaries:

**Conventional Purchase & Renovate or Refinance & Renovate Program.** This program is a conventional conforming loan.

- 1 closing, 1 set of closing costs, 1 interest rate, 1 payment
- 1-4 unit properties
- Owner occupied, vacation home and investment properties
- Conforming loan limits apply per each county limit (\$417,000 applies to most counties)
- Conforming High Balance limits OK per county limit (maximum \$729,750)
- Minimum 10% down payment (or equity if a refinance) for most counties
- Enables borrowers to purchase or refinance and make desired upgrades to a home
- Uses “as completed” value – which is the value after the proposed renovation is completed
- Luxury items are OK to be financed (pools, spas, etc)

**FHA 203k Renovation loans.** FHA 203k loans are similar to the conventional program, with some differences in the down payment requirement and what type of renovation work can be completed.

- 1 closing, 1 set of closing costs, 1 interest rate, 1 payment
- 1-4 unit properties
- Owner occupied only
- Mixed use properties OK
- FHA loan limits apply per each county limit (\$417,000 applies to most counties)
- FHA high balance limits OK per county limit (maximum \$729,750)
- Minimum 3.5% down payment (or equity if a refinance) for all counties
- Enables borrowers to purchase or refinance and make desired upgrades to a home
- Uses “as completed” value – which is the value after the proposed renovation is completed
- No luxury items can be financed (no pools, spas, etc)
- 203k Streamline applies for renovation budgets less than \$35,000

**Construction Loan Express (CLX)** - Construction loan program (CLX) which is used for ground up projects. With the CLX program, the construction loan and the permanent loan are processed and approved at the same time. Not available in all states.

- 1-2 unit properties only
- Owner occupied & second homes only
- No mixed use or commercial properties
- No maximum loan amount

Please email me your project scenario with as much details as possible, and I will get back to you with more program information; [bob\\_schmalz@wlgaregroup.com](mailto:bob_schmalz@wlgaregroup.com)