



**MKG Enterprises Corp.**

MORTGAGE BROKER | EQUAL OPPORTUNITY LENDER

CA DFPI FINANCE LENDER LICENSE 60DBO-45224, NLMS 1370394

## ONE-TIME CLOSE NEW CONSTRUCTION LOANS

One closing! Which means one interest rate (with the option to modify down if the market improves), one down payment, one full credit report to order and one approval.

- Eligible on 15-and 30-year fixed conventional and high balance loans and 7- and 10-year ARMs
- Available on primary, second and investment property purchases and rate/term refinances
- 700+ FICO, up to 95% LTV
- 11-month maximum build period with 1-month modification period

- Loan amounts up to the conforming loan limits
- \$726,200 for regular one-unit loans (increased from \$647,200 in 2022)
- \$1,089,300 for one-unit high-balance loans (increased from \$970,800 in 2022)

**City/ County Zoning/ Permitted as a single family residence**

Allowance for Duplexes 1-4 units  
 Detached condos

**Prohibited one-time construction loans property types**

1. Owner-Builder
2. ADUs
3. Manufactured homes
4. Unique property types
5. Brandominium homes
6. Shipping containers homes

Start your one-time close new construction loan application process by creating an account at <https://bit.ly/3PyuXss>

Download our **Digital Mortgage Broker** app in Google Play to find the right loan option that's right for you. <http://bit.ly/40Bb5es>

Download **Digital Mortgage Broker** app on **Amazon AppStore Marketplace** for Android now:

<https://bit.ly/3NtrOeV>

**BENEFITS**

- Builders don't have to pay for the construction upfront, then sell the home to a borrower. They can create the borrower's dream home and get a loan before construction even begins. Helping save time and money by only having to close once and covering one set of closing costs!
- UWM's process has a contractor approval component. Meaning we vet the contractor and obtain references to make sure they are credible. This helps give peace of mind to your borrower, that they have gone with a good option.
- Other lenders require intense documentation, high interest rates, and large down payments. UWM helps reduce the headaches, keep the project moving, create

transparency and peace of mind for all parties involved, and offer the same great service on these loans, as we always do

- After the first approval the borrower is good to go, no need to reapprove them!

## BROKER TO BORROWER

- This program includes a budget analysis which ensures the costs that the contractor is quoting are reasonable for the area. Gives peace of mind that your project is properly budgeted for the build.
- "I can help get you into your dream home without settling for anything less!"
- Once the build is complete, you can float down the loan to secure a lower interest rate if the market improves or stay locked in no matter the market shift.

## BROKER TO REALTOR / BUILDER / CONTRACTOR

- New construction loans take longer than traditional mortgages, sometimes cost more or have higher interest rates than traditional mortgages. When you partner with me and UWM, we can get you paid before the build even starts!

### **What is a One-Time Close New Construction loan?**

- A One-Time Close New Construction loan is a single closing construction loan. The construction portion is short-term financing that is modified into permanent financing upon completion of the project. A single closing construction mortgage can be closed as a purchase or a refinance.

### **What is a single closing?**

- A single closing construction loan is the combination of financing of the construction and the permanent mortgage. There is a single closing transaction that occurs prior to construction beginning.
- Closing costs/fees that the borrower is responsible for are collected at closing. Funds are accessed through draws and there will be an initial draw at closing for proceeds to the contractor to begin the construction project.

### **What is a One-Time Close New Construction Purchase Loan?**

- The loan purpose is a purchase when the borrower is not the current owner of the lot on which the home will be built. The borrower is using the loan funds to purchase both the lot and to fund the construction of the property. The loan amount includes the sum of the sales price of the lot and the cost to construct the property minus the down payment.

### **What is a One-Time Close New Construction Refinance Loan?**

- The loan purpose is a refinance when the borrower already owns the lot in which the home will be built on. The borrower is using the loan funds to pay off any existing liens on the lot and to finance the construction of the home. The loan amount includes the sum of any existing financing from purchase of the lot and the cost to construct the home.

# GENERAL TERMS

Construction Period – time frame between the initial draw at closing to completion of the construction of the property

Initial Draw (Draw at Close) – amount of funds to be disbursed at closing

- On a purchase transaction, funds from initial draw are used to purchase the lot and to pay the contractor to begin the project
- On a refinance transaction, funds may be used to pay off existing financing on the lot and to pay the contractor to begin the project

Draw Schedule – outline of the increments in which funds will be disbursed to the contractor in accordance with the construction contract

- Funds are generally released to complete a certain percentage of the project throughout the construction period
- Before each draw is released, an inspection is done to ensure progress is being made on the construction, a title search is done to ensure there are no outstanding liens and that the correct permits are drawn
- 4 business day turn time for release of a draw once it has been requested
  - Business days are based on regular business hours of 8am EST – 8pm EST Monday-Friday

<b>Granite Generic Draw Schedule</b>			
<b>Loan Amount</b>	<b>Cost Per Draw</b>	<b>Number of Draws</b>	<b>Cost Due at Closing</b>
\$1 - \$249,999	\$290	5	\$1,450
\$250,000 - \$500,000	\$290	8	\$2,320
\$500,000.01 - \$750,000	\$290	10	\$2,900
\$750,000.01 - \$1,000,000	\$290	12	\$3,480
\$1 million & up	\$290	Determined by Granite	Determined by Granite

Construction Draw Fee – cost collected at closing to draw funds during the construction period is based on the hard cost of construction

- The fee is determined during the project approval period and will be finalized between Granite and the builder/contractor

Float Down – when the locked interest rate changed to a lower rate available at time of project completion

- If the borrower is eligible for a float down, the process is automatically complete

# PARAMETERS

- Conventional 15- and 30-year Fixed
  - Conforming and High Balance

- Conventional 7/6 and 10/6 ARM
  - Conforming and High Balance
- Primary, second home and investment properties
- Fannie Mae only
  - DU Findings must be approve/eligible
- Min FICO = 700
- Max LTV/CLTV/HCLTV = 95%
- Maximum Lock Period = 90 days
- Project and builder/contractor must be approved by UWM/Granite
- 5% of construction cost will be held for the contingency fund that is part of the project budget
  - 10% of construction cost held in Texas
- 11 month maximum build period with 1 month modification period
- Credit documents cannot exceed 12 months at the time of modification
- 75 bps adjustment applied at time of lock to the rate listed on the rate sheet
- \$1495 underwriting fee
- Only weather related escrow holdbacks permitted
- Texas 50(a)(6) not permitted
- Not eligible for co-ops, attached condos and manufactured homes
- No Temporary Buydowns
- No Principal Reductions
- Not TRAC eligible
- Not eligible for full virtual close – hybrid w/ paper note eligible

## AGE OF CREDIT DOCUMENTS

- All credit documents must be no more than 4 months old at the time of closing
- Income, employment, and credit report documents must not be older than 12 months at the time of modification to permanent financing
  - Updated documents may be requested prior to CTC

## APPRAISAL EXPIRATION

- Full appraisal subject to plans and specs required to close One-Time Close New Construction loans
- At the time of construction completion, an Appraisal Update and/or Completion Report (Form 1004D) must be completed
- If the property is in a Declining/Risky Market, it may be subject to a 10% LTV reduction based on the max product LTV
  - Indicators that a property would be subject to LTV reduction:

- Declining, Oversupply or Over 6 Months checked in the One-Unit Housing Trends section of the appraisal
- SSR message 1020 is present on appraisal
- The property is in a county found on the Declining/Risky Market List

## LOAN STRUCTURE



- Loans will be structured to move from construction financing to permanent financing with one closing
  - Interest only payments made during construction period are based on the current draw amount during the construction period
  - Once the construction period and the modification to permanent financing has been completed, the borrower will pay principal and interest payments

## LOAN MODIFICATION

Loan is modified to permanent financing at time of project completion on every loan. The loan is converted to a fully amortizing loan and the loan term begins.

Borrowers will be required to sign the Modification Agreement.

- The Final Inspection and Certificate of Occupancy is required before the Modification Agreement is signed by the borrower
  - If the Modification Agreement is not signed at 12 months, the Borrower is required to requalify
  - UWM will hold the final draw until the agreement is signed

NOTE: At time of modification, if the current available rates are lower borrowers will be offered a float down to a lower rate. If the current available rates have gone up, borrowers are protected against a rate increase.

Mortgage Loan Officer  
 Marshawn Govan **NLMS ID 1370676**  
 Work: (559) 337-5990  
 Book a meeting  
<https://calendly.com/marshawngovan>

Borrowers Save Money Using A Broker **Podcast**  
<https://mortgage-brokers-are-better.captivate.fm/>

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<https://mkgenterprisescorp.com>