



Construction to Perm Loans

EQUITY
RESOURCES, INC.
mortgages

Construction Loan Highlights



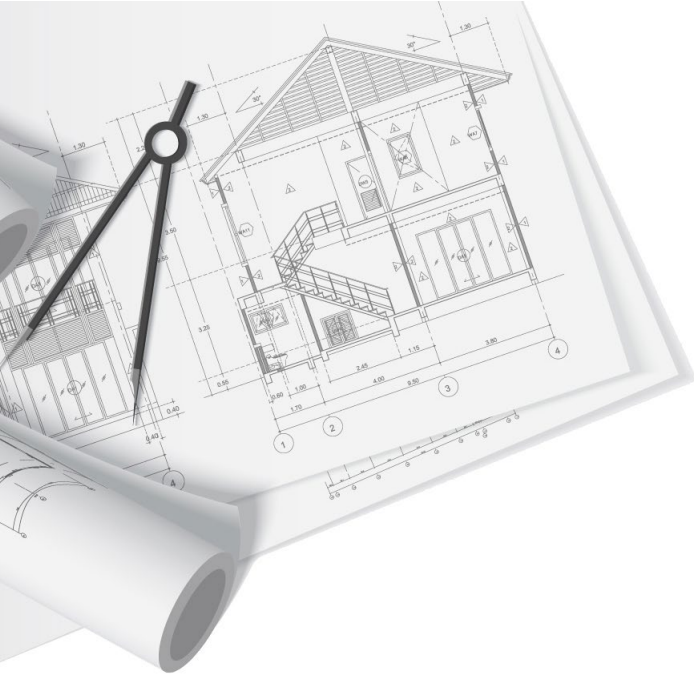
- ▶ **Construction to Permanent financing available (one time closing)**
- ▶ **Extended commitment available**
- ▶ **Fixed rate option**
- ▶ **Credit score 660+**
- ▶ **Conventional as low as 3% down for those who qualify**
- ▶ **FHA 3.5% down payment**
- ▶ **VA 0% down payment**
- ▶ **"5 draws" throughout the construction loan phase**
- ▶ **Money to builder with in 3-7 days from draw request**

**Sample Scenarios: Conventional 30 Year Loan Example: Purchase price of \$310,000 with 3% down payment; loan amount of \$300,700 with a fixed interest rate of 6.75% (7.290% APR) has an estimated monthly payment of \$2,040.21[^]. FHA 30 Year Loan Example: purchase price of \$343,000 with 3.5% down payment; Loan Amount of \$336,787 with a fixed interest rate of 6.625% (7.613% APR) has an estimated monthly payment of \$2,307.71[^]. Loan Amount has FHA Mortgage Insurance Premium added. [^]Payment is Principal & Interest + Mortgage Insurance. Does not include amounts for taxes and insurance premiums. The actual payment obligation will be greater. Program terms & conditions are subject to change at any time. This is not a commitment to lend. Rates available as of 11/5/24 but are subject to change.*

Construction Loan Highlights

The background of the slide features a detailed architectural blueprint of a multi-story building. A large compass is positioned on the right side of the blueprint, and a rolled-up architectural drawing is visible in the bottom right corner. The overall theme is construction and architecture.

- ▶ **Construction max period up to 12 months**
- ▶ **Interest only paid monthly on amount of draw and balance**
- ▶ **Loan is Locked Upfront (good through completion date)**
- ▶ **Modification at end of construction phase**
- ▶ **Competitive rates-comparable to local lenders**
- ▶ **Strong communication throughout the build process**
- ▶ **We will walk the buyer through every step**
- ▶ **Base loan amount cannot exceed area mortgage loan limits**



Conventional vs. FHA Construction Loan Program

	Conventional Construction Loan Program	FHA Construction Loan Program
Credit Score Minimum	680	660
Max LTV	95% (97% if eligible) (5% down payment)**	96.5% (3.5% down payment)*
Max DTI	45%	45% with AUS approval
Term	30, 20, or 15 year fixed rate	
Minimum Reserves	6 months reserves/3 mos if over 720/2 mos when there is a 5% contingency reserve	2 months
Eligible Properties	Detached and Attached Single Family Residences, Manufactured Homes	
Property Eligibility	Can purchase land at closing or can already own land prior to closing.	Can purchase land at closing or already own the land. Owned less than 6 months: use the purchase price of the land to calc LTV. Owned over 6 months: use the appraised value of the land to calc LTV.
Appraisal	Appraisal must be subject to completion of repairs.	
Builder/Contractor	Borrower to select licensed builder/general contractor. No self builds, self helps or relative builds allowed. The builder must be approved by Equity Resources after an internal review process. A new builder can be reviewed within 48 hours of their packet being received.	
Financing	Construction period of 12 months for single family and 6 months for manufactured - Interest only payments during construction	Construction period of 6 months - Interest only payments during construction
Contingency Reserve	5% if LTV is over 90%	5%
Cost Overruns	Any and all cost overruns are the responsibility of the borrower.	
Requalification	Requalification may be required at time of conversion to permanent financing depending on loan terms	Borrower is not required to requalify at time of conversion to permanent financing

**Sample Scenarios: Conventional 30 Year Loan Example: Purchase price of \$310,000 with 3% down payment; loan amount of \$300,700 with a fixed interest rate of 6.75% (7.290% APR) has an estimated monthly payment of \$2,040.21^ . Conventional 30 Year Loan with a 5% down payment on a \$300,000 purchase price (Loan Amount \$285,000) with a 6.99% fixed interest rate/7.422% APR for 30 years = \$1,946.25^ . FHA 30 Year Loan Example: purchase price of \$343,000 with 3.5% down payment; Loan Amount of \$336,787 with a fixed interest rate of 6.625% (7.613% APR) has an estimated monthly payment of \$2,307.71^ . Loan Amount has FHA Mortgage Insurance Premium added. ^Payment is Principal & Interest + Mortgage Insurance. Does not include amounts for taxes and insurance premiums. The actual payment obligation will be greater. Program terms & conditions are subject to change at any time. This is not a commitment to lend. Rates available as of 11/5/24 but are subject to change.*

Questions?



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EQUITY
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