

Construction Loans

Build, Renovate, Repair

Our Construction Loan programs are designed for borrowers who want to build on their existing vacant lot or for homeowners who wish to tackle a major renovation, addition or repair of their existing home.

Finance Factors offers both a Construction-Only option as well as a Construction-Permanent loan.

Construction-Only Benefits

- ◆ Offers the most flexibility in selection of a permanent loan
- ◆ Great for situations where there is an underwriting issue that will be resolved by the end of construction and prior to getting the permanent loan

Construction-Permanent Benefits

- ◆ Borrowers do a one-time closing and save on costs, plus they lock in their permanent financing up front
- ◆ Interest-only payments keep payments low during the construction period

Unusual Situations

- ◆ **Insufficient down payment?** Cross-collateralize another property and use the combined Loan-to-Value (LTV) to finance 100% or more of the project, including debt service during the construction period.
- ◆ **Investor loan?** We allow for an entity to be on the Title or the Note: LLCs, Corporations, Partnerships, and Trusts accepted with a Personal Guarantor.
- ◆ **High Debt-to-Income (DTI) ratio?** With sufficient equity, we can establish a debt-service account to pay all or part of the monthly payments during the construction phase of the loan.
- ◆ **Need more time?** Contracts in excess of \$450,000 qualify for an 18-month construction term. Call if you need an even longer term.
- ◆ **Need more money?** Loan amounts up to \$2,500,000. Call to discuss larger requests.
- ◆ **Underwriting issues?** Call to discuss low FICO scores and unusual/difficult income and employment situations.

General Guidelines

- ◆ Available for owner-occupant, investor and foreign investors
- ◆ Loan amounts from \$100,000 to \$2,500,000. Call to discuss larger requests.
- ◆ Maximum LTV of 80% for owner-occupants; 75% for investors
- ◆ Fee simple 1-4 unit residential properties in Hawaii only
- ◆ If construction-only, borrower must be able to qualify for permanent financing
- ◆ Required: bond, construction contract and specifications, building permit, approved/stamped plans, licensed general contractor
- ◆ Architect or engineer inspections required for contracts in excess of \$450,000



FINANCE FACTORS

SAVINGS • CDs • MORTGAGES

FOR EXTERNAL USE BY MORTGAGE PROFESSIONALS ONLY

The foregoing is for informational purposes only and not to be distributed to any consumer. This is not an offer to make a loan. The making of any loan and the terms thereof are subject to Finance Factors' underwriting approval. All information is subject to change at any time.