

Renovation Loan Information Sheet

Whether a home is in need of repairs or whether you were inspired by fixer-upper shows on television, undertaking a renovation may suit your home buying needs.



A renovation loan may allow you to roll the cost of repairs or upgrades into your mortgage loan with as little as 3.5% down. Here is some common information about renovation financing for you to consider:



5 Basic Steps

1. Identify a property.
2. Select a contractor.
3. Obtain a quote from the contractor.
4. Appraisal is ordered upon receipt of the contractor's quote.
5. Repairs are completed after closing.



Common Scenarios

- Focus home search on the area rather than the home
- HVAC missing or not functioning
- Kitchen and bath updating
- Roof needs to be replaced
- Change the floor plan to allow for an open concept feel



Sample Eligible Repairs

- Cabinetry
- Countertops
- Painting
- Lighting
- Carpet
- Backsplash
- Patios
- Appliances
- Additions
- Garages
- Windows
- Fences
- Roof
- HVAC



How Do The Numbers Work?

A renovation mortgage is based on the after-improved value of a property. EXAMPLE: a buyer may agree to purchase a home for \$150,000, and the total renovation cost is determined to be \$50,000, including contingency & fees.

Therefore, the after-improved property appraisal target will be \$200,000, assuming renovations are complete. Down payment and monthly mortgage payment would then be based on the appraised value of \$200,000.¹

The lists above are only to be used as guides and are not all-inclusive. Borrowers will be subject to qualification and must satisfy all underwriting requirements and conditions. Not all borrowers will qualify.

1. This example is provided for educational and illustrative purposes only and does not reflect your actual loan information or renovation costs. The right mortgage program for you depends on specific circumstances, such as your credit history, amount of cash savings, and your individual preferences. Speak with your mortgage consultant for more information regarding the content contained on this page.

If the home you love needs to be updated because it is a little older, contact us.



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