

# ONE-TIME CLOSE NEW CONSTRUCTION PRODUCT ROAD MAP



## OVERVIEW

So, your borrower wants to build their dream home and doesn't know where to start. Fortunately, with **One-Time Close New Construction**, you have a great solution for them. When the borrower partners with you, they can choose a builder or general contractor of their choice to work with. This document will walk you through an overview of the process for One-Time Close New Construction loans for you and your borrower.

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### DREAM HOME

Start with pre-qualifying your borrower to help gain an understanding of their total financing amount. After establishing their financial capacity, the next course of action is to connect with a builder to start designing their home. With a clear picture of the planned home design, the search for their ideal land (if they don't already own it) becomes more straightforward. If they're looking to purchase land, connect them with a real estate agent who can help combine the financing for the purchase of the land and the construction costs into a one-time transaction.

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### HIRE A CONTRACTOR

Your borrower will need to take their general ideas to local builders and discuss the details of their dream build. Upon deciding on a builder, the builder or contractor's information must be sent to Granite for approval.

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### CONTRACTOR APPROVAL

The contractor must fill in the [Contractor Review Submission Form](#), complete the checklist items and send Granite the necessary documents for review as outlined in the Contractor Review form. The builder/contractor must be approved by Granite to be eligible to complete the project. Once approval is ready to be issued, a \$150 Contract Review Fee must be paid to Granite by the borrower (or may be paid by the broker and the broker will be reimbursed by the borrower at closing). Granite's contract reviews include underwriting the contractor, checking the contractor's construction history, references, background and credit and confirming their licenses and necessary insurance policies. The approval process can be started before a property is found and must be completed prior to clear-to-close. This review is important to ensure the contractor can complete the planned build. After payment, if they meet all prerequisites, the contractor will be approved and the loan process can continue. Please note that the \$150 Contract Review Fee is required each time a contractor goes through this approval process.

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### PROJECT APPROVAL AND UNDERWRITING

Once the contractor is approved, the following must be submitted to Granite for project approval, starting with Form D from the [Project Review Checklist](#), which must be filled out by you and sent back with the following documents/information included:

- i. **Signed Construction Contract** – Borrower and contractor must both sign, and the contract account must match the total in the cost breakdown.
- ii. **Cost Breakdown (Construction Budget)** – Must match dollar amount in the Construction Contract.
- iii. **Set of Plans** – One full set of approved construction plans and specifications, including elevations.
- iv. **Appraisal** – You will order an appraisal based on the plans and specifications, including the budget. If the plans haven't been submitted, please indicate your expected delivery date to the Lender in the Expected Completion Date column.
- v. **Building Permits (Submission of Building Permits to Granite)** – Permits are only required if construction work has started prior to your closing.
- vi. **Pre-paid Information** (Pre-paid Accounting Information – Form D1) – Improperly documented pre-pays will not receive credit.
- vii. **Draw at Close** – Submit a completed and signed Construction Loan Disbursement Request/Authorization – Form E, documenting the hard cost draw at close.

Before Granite can begin reviewing the documents, the borrower must pay a one-time Project Review Fee of \$300 to begin the review process. Once all the required items have been accurately submitted to Granite and this fee has been paid, submit your loan to UWM and follow the loan process. Upon receiving the payment and all the necessary items, Granite will issue an approval for the project review within 3 business days.

**TIP:** If your borrower is buying the land, the Loan Purpose in EASE needs to be set to Construction Purchase. If your borrower already owns the land, the Loan Purpose in EASE needs to be set to Construction Refinance.

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### CLOSING

Once the title has been recorded, the initial draw will be sent to the contractor. Your part in the loan process is now done. Let the construction begin! Your borrower will receive a welcome packet with a draw schedule and further details of what to expect in the coming months.

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### THE CONSTRUCTION PROCESS

Granite will oversee the entire construction process and continuously review all aspects of the build, including:

- i. Managing timelines
- ii. Licensing
- iii. Title documentation
- iv. Insurance
- v. Inspections
- vi. Disbursement of funds
- vii. Mechanic's lien waivers

UWM will inspect all work once completed.

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### CONSTRUCTION COMPLETION

Upon completion of the construction project, the contractor will provide a Certificate of Completion. Once received, UWM will order a Final Inspection with an appraiser to accompany Granite's final walk-through.

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### MODIFICATION PERIOD

Upon passing the Final Inspection, your borrower will sign final loan documents that authorize a final construction draw for your contractor to cover any outstanding costs. Any residual construction funds will be converted back into the loan for the remainder of your borrower's loan term.

The loan turns from interest only to the standard principal and interest payments. The Title Policy becomes final, and **YOUR BORROWER GETS THEIR DREAM HOME!**