



# One-Time Construction Loans

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Purchase your property, pay for home  
construction, and secure your mortgage  
all in one single loan





# Step 1: Choosing a Builder

Before you begin building your dream home, you'll need to choose the builder and contractors you want to hire for your project.

It is important to note that your team will need to be approved by your lender before you can close on the loan.





# Builder Requirements

Government-issued photo ID

Completed, legible contractor questionnaire

State contractor license

Worker's compensation insurance or exemption

Commercial general liability insurance

Completed W-9 form





## Step 2: Preparing a Contract

You and your builder work together to draft a construction contract that contains the agreed-upon parameters of your construction project, such as timeframe and costs.

You want to ensure the scope of work is clearly and concisely stated and understood by all parties before signing.







## Step 3: Prepare Required Plans and Specifications for Home

Lenders require plans and specs before they appraise the property and approve the loan. In addition, for FHA and VA One-Time Close loans, an initial survey is required. A lot contract may also be required.

Your Loan Officer will be able to help you understand the requirements for your individual loan.



# Step 4: Beginning the Loan Process

The loan process for a One-Time-Close Construction loan is a little different than other loans. Don't worry, we're here to help you every step of the way.

Like most mortgages, you will be required to provide basic information like proof of income, your credit profile, your debt-to-income ratio, and your available assets.







## Step 5: Closing the Loan

Once your loan application has been approved, you'll close on your loan.

A signed and dated contract, budget, plans, specs, and appraisal must be received.

You'll be responsible for interest-only payments during construction.

Upon completion it converts to a fully amortizing 30-year fixed mortgage.



# Step 6: Beginning Construction

After you close, you're ready to move forward with construction of the home you've always wanted!





# YOUR HOME BUILDING PROCESS **STARTS HERE!**

Are you considering building your dream home but unsure where to begin? We can take you through the process one step at a time and you might find that it is far easier than you imagined!



## STEP 1: Get pre-approved for a home loan

A pre-approval shows you how much you can afford so you can narrow down your home search.



**Find your builder  
to build your  
dream home**



**Provide builder  
with the new  
builder package**



**Start lot hunting  
with your  
Real Estate  
Agent**



**Make an offer on  
your lot**



**Submit all  
required loan  
documents**



**Appraisal  
ordered. Total  
acquisition cost  
(lot & build)**



**Executed plans,  
specs and  
build contract,  
submitted**



**Negotiate price  
and terms  
for your lot**



**Obtain final loan  
approval & clear to  
close from lender**



**Sign loan and  
closing docs**



**Construction  
begins on your  
dream home**



**MOVE IN!**



**na**f



# We Have a Full Lineup of Great Loan Options!

We have a variety of loan options tailored for your unique financial needs!

EXTENDED RATE LOCK	FLOAT DOWN	ONE-TIME CLOSE (OTC)	RENOVATION
<p><b>Property Type:</b> New construction only</p> <p><b>Down Payment:</b> As little as 3%</p> <p><b>Home Type:</b> Owner-occupied and second homes</p> <p><b>Loan Types:</b> FHA and Conventional</p> <p><b>Other Notes:</b> Lock rate up to 270 days</p>	<p><b>Rate Lock:</b> Can be coupled with extended rate locks or OTC</p> <p><b>Loan Types:</b> ☒ FHA and Conventional ☒ Fixed-Rate and ARMs</p> <p><b>Other Notes:</b> ☒ If rates drop, secure current market rate 15 days before the close of escrow ☒ High balance allowed</p>	<p><b>Property Type:</b> Primary and secondary homes</p> <p><b>Down Payment:</b> ☒ Low down payment options ☒ Gifts or land equity allowed for down payment</p> <p><b>Credit Score:</b> As low as 620</p> <p><b>Home Type:</b> Single family residence, modular, prefabs, and manufactured homes</p> <p><b>Loan Types:</b> ☒ FHA, VA, and Conventional ☒ Fixed-rate</p> <p><b>Other Notes:</b> ☒ 12-month construction phase ☒ One-time approval process</p>	<p><b>Property Type:</b> Primary, secondary, and investment properties allowed</p> <p><b>Down Payment:</b> As little as 3%</p> <p><b>Credit Score:</b> As low as 580</p> <p><b>Home Type:</b> Single family residence attached/ detached, PUD, condos, and manufactured homes</p> <p><b>Loan Types:</b> ☒ FHA, VA, and Conventional ☒ Purchase or cash-out  refinance ☒ Fixed-rate options</p> <p><b>Other Notes:</b> ☒ Can finance soft costs ☒ Energy efficiency option</p>





## Conventional Loan

Designed to provide **flexibility and affordability**, our conventional mortgage options are tailored to meet the unique needs of both you and your clients!

### Highlights

- Credit score as low as 680
- Minimum down payment of 5% (primary home)
- Minimum down payment of 10% (secondary home)
- Conforming loan limits apply

### Eligible Properties

- Single family detached homes
- Modular homes
- Prefabs
- Single, Double, Multi-wide manufactured homes

## VA Loan

Honor our courageous **veterans and active service members** by providing the financial assistance opportunities they need with VA loans.

### Highlights

- Credit score as low as 620
- No down payment required
- Lender loan limits apply
- 10% down payment required for credit score 619 - 580

### Eligible Properties

- Single family detached homes
- Modular homes
- Prefabs
- Single, Double, Multi-wide manufactured homes

## FHA Loan

Our acquisition cost package **covers all the essential elements**, ensuring a seamless and hassle-free process. The builder's price to build, combined with the cost of the land, forms the foundation of this cost. For those considering manufactured housing, our package covers the cost of the unit and all on-site installation expenses.

### Highlights

- Credit score as low as 620
- Minimum down payment of 3.5%
- FHA loan limits apply
- 10% down payment required for credit score 619 - 580

### Eligible Properties

- Single family detached homes
- Modular homes
- Prefabs
- Single, Double, Multi-wide manufactured homes

## USDA Loan

USDA provides a wide range of benefits and flexible eligibility criteria creating more **homeownership opportunities in rural areas**.

### Highlights

- Credit score as low as 640
- No down payment required
- Primary residence

### Eligible Properties

- Single family detached homes
- Modular homes
- Prefabs
- Single, Double, Multi-wide manufactured homes





# Comparing OTC Loan Options

	Conventional	FHA	VA	USDA
Financing Eligibility	Max LTV 95% Minimum Credit Score 680	Max LTV 96.5% Minimum Credit Score 620	Max LTV 100%, not including VA funding fee Minimum Credit Score 620	Max LTV 100% Minimum Credit Score 640
Eligible Terms	10, 15, 20, 25, and 30-year fully amortized fixed	10, 15, 20, 25, and 30-year fully amortized fixed	10, 15, 20, 25, and 30-year fully amortized fixed	30-year fully amortized fixed
Eligible Property Types	1-unit site-built Modular Prefab MFH- single, double, multi-wide ADU (as permitted by local zoning authority)	1-unit site-built Modular Prefab MFH- single, double, multi-wide ADU (as permitted by local zoning authority)	1-unit site-built Modular Prefab MFH- single, double, multi-wide ADU (as permitted by local zoning authority)	1-unit site-built Modular Prefab MFH- single, double, multi-wide ADU (as permitted by local zoning authority)
Option for Initial Draw at Closing	Yes Up to 12% of cost to build or \$50k (whichever is less)	Yes Up to 10% of cost to build or \$50k (whichever is less)	Yes Up to 10% of cost to build or \$50k (whichever is less)	Yes 10% of cost to build or \$50K (whichever is less) and building permit required before closing
Draw Paid to Builder	Yes	Yes	Yes	Yes
Occupancy	Owner-occupied and second home (conventional only)	Owner-occupied only	Owner-occupied only	Owner-occupied only
Lot Equity and Use Toward Construction for One-time Close Transaction		Lot Equity and Use Toward Construction for One-time Close Transaction		
Property Type	All eligible property types	Manufactured home Modular Site-built	Manufactured home Modular Site-built	Manufactured home Modular Site-built
Equity Contribution	Yes	Yes	Yes	Yes
Lot Ownership / Seasoning for LTV	Limited cash-out refinance (LCOR), no cash back to borrower The borrower is the owner of record of the lot at the time of the initial loan application	Land value if owned < 6 months at case assignment = Lesser of the cost of the land or appraised site value of the land Land value if owned > 6 months = Appraised site value of the land	Land value if owned < 12 months at case assignment = Lesser of the cost of the land or appraised site value of the land Land value if owned > 12 months = Appraised site value of the land	No lot seasoning, but borrower must be owner of record at time of application No cash back allowed LTV based on appraised value



newamerican  
FUNDING



# We Can Help You Achieve the Dream of Homeownership!

Eligible borrowers can now get up to \$8,000 in assistance toward the down payment and closing costs.

Let's connect to see if our Pathway Programs could be the solution you're looking for.



	NAF PATHWAY (80% AMI)	NAF PATHWAY (No AMI)	NAF PATHWAY PLUS	NAF PATHWAY 100
Agency	Conventional	Conventional	Fannie Mae	FHA & USDA
Transaction	Purchase, Primary, 1-Unit- AND At least one occupying borrower must be a First Time Homebuyer			Purchase, Primary, 1-2 Unit
Assistance Amounts	Up to \$6,000	Up to \$6,000	Up to \$7,500	3.5% or 5.0%
Assistance provided in form of:	Grants	Lender Credits	Grants	Second Lien
Income Limitations	Max 80% AMI for qualifying borrower	No income limitations	Income limitations apply	Income limitations may apply
Location Eligibility	Subject Property Location	Subject Property Location	Current Residency Address	Available in most states

This is a quick reference guide only- see product guidelines for more information and specifics





# NAF Pathway

## Purchase Transactions

	NAF PATHWAY (80% AMI – HP/HR)	NAF PATHWAY (No AMI)	NAF PATHWAY PLUS (100% AMI)	NAF PATHWAY PLUS (140% AMI)	NAF PATHWAY ACCESS (140% AMI)	NAF PATHWAY 100	NAF PATHWAY NATIONAL (80% AMI)	NAF PATHWAY NATIONAL (140% AMI)	NAF PATHWAY HOME (80% AMI)	NAF PATHWAY HOME (No AMI)
Agency	Fannie Mae & Freddie Mac	Fannie Mae & Freddie Mac	Fannie Mae	Fannie Mae	Freddie Mac	FHA & USDA	Fannie Mae & Freddie Mac	Fannie Mae & Freddie Mac	N/A	N/A
Transaction	Purchase, Primary, 1-Unit – AND At least one occupying borrower must be a First Time Homebuyer					Purchase, Primary, 1-2 Unit	Purchase, Primary, 1-Unit	Purchase, Primary, 1-Unit	Purchase, Primary, 1-2 Unit	Purchase, Primary, 1-2 Unit
Assistance Amounts	Up to \$6,000	Up to \$6,000	Up to \$7,500	Up to \$3,500	Up to \$3,000	3.5% or 5.0%	4.00%	4.00%	Assistance is N/A  Program offers 97% LTV with No MI	Assistance is N/A  Program offers 97% LTV with No MI
Assistance Funds may be used for	Down Payment Closing Costs & Prepays (Borrower must meet 3% minimum contribution)	Closing Costs & Prepays	Down Payment Closing Costs & Prepays	Down Payment Closing Costs & Prepays	Down Payment & Closing Costs	Down Payment Closing Costs & Prepays	Down Payment Closing Costs	Down Payment Closing Costs		
Assistance in form of:	Grants	Lender Credits	Grants	Grants	Grants	Second Lien	Second Lien	Second Lien		
Assistance Included in IPC	NO	YES	NO <i>Unless NAF is Interested Party</i>	NO <i>Unless NAF is Interested Party</i>	NO	NO	NO	NO		
Mortgage Insurance	Standard	Standard	Reduced Coverage	Reduced Coverage	Standard	Standard	Standard	Standard	No Mortgage Insurance	No Mortgage Insurance
Goal Grant Combination	YES -- with qualifying income ≤50% AMI	NO	NO	NO	NO	NO	YES -- with qualifying income ≤50% AMI	NO	NO	NO
Income limitations	MAX 80% AMI for qualifying borrower	No income limitations	MAX 100% AMI	MAX 140% AMI	MAX 140% AMI	No income limitations Standard USDA limits apply	MAX 80% AMI for qualifying borrower	MAX 140% AMI	MAX 80% AMI	No income limitations
Minimum Credit Score	<ul style="list-style-type: none"> <li>95.01 – 97% LTV = 640</li> <li>95.00 LTV and under = 620</li> </ul>	<ul style="list-style-type: none"> <li>95.01 – 97% LTV = 640</li> <li>95.00 LTV and under = 620</li> </ul>	Per DU	Per DU	Per LPA	580	660	660	<ul style="list-style-type: none"> <li>SFR and PUDs = 640</li> <li>Condos &amp; Co-ops = 660</li> <li>2-Units = 700</li> </ul>	<ul style="list-style-type: none"> <li>SFR and PUDs = 640</li> <li>Condos &amp; Co-ops = 660</li> <li>2-Units = 700</li> </ul>
Location Eligibility	Subject Property Location	Subject Property Location	Current RESIDENCY Address	Current RESIDENCY Address	Subject Property Location	No Census Tract Restriction	Subject Property Location	Subject Property Location	Subject Property Location	Subject Property Location
How to Determine Location Eligibility	Polly and <a href="#">Pathway Look-Up Tool</a> Link	Polly and <a href="#">Pathway Look-Up Tool</a> Link	<a href="#">FNMA Area Median Income Look-up Tool</a> or Desktop Underwriter	<a href="#">FNMA Area Median Income Look-up Tool</a> or Desktop Underwriter	<a href="#">Freddie Mac's BorrowSmart Access Income and Property Eligibility Tool</a> Link	Not Applicable Not eligible in New York	State Eligibility List located in guidelines	State Eligibility List located in guidelines	<a href="#">Citibank Guides Exhibit 18</a>	<a href="#">Citibank Guides Exhibit 18</a>
AUS Submission	DU / HomeReady LPA / Home Possible	May use either DU or LPA	DU Only – Final with Pathway PLUS Product	DU Only – Final with Pathway PLUS Product	LPA Only	May use DU / LPA / GUS Or Manual Underwrite	May use either DU or LPA	May use either DU or LPA	Non-delegated Manual Underwrite by Citibank (No AUS)	Non-delegated Manual Underwrite by Citibank (No AUS)
Temporary Buydown	NO	NO	YES	YES	YES	YES	NO	NO	NO	NO
Servicer	Chase	Chase	NAF	NAF	NAF	NAF (1 <sup>st</sup> Liens) Arrive Home (2 <sup>nd</sup> Liens)	Lakeview	Lakeview	Citibank	Citibank





# A Winning Team

