



Buying a Home That Needs Work,

Without the Cash for the Work



WHAT THE FHA 203(K) IS.

A single FHA-insured mortgage that finances buying a home and renovating it together. One closing, one payment. Repair funds are held in escrow and released under HUD and lender draw procedures as the project progresses.



THE TWO VERSIONS.

The Limited covers minor, nonstructural projects up to \$75,000 of total rehabilitation cost, with up to nine months to complete. The Standard covers major and structural work from \$5,000 up, runs up to twelve months, and includes a HUD-approved consultant who oversees the project.



WHAT IT ISN'T.

It is not cash at closing, it does not cover luxury items or your own labor, and it is only for a home you will live in. The numbers must work: the loan is limited by what the finished home will appraise for, and the lender and appraiser make that determination.



WHAT TO EXPECT.

A contractor's written bid before closing, a closing that may take longer than a standard purchase because additional renovation documentation and appraisal work are involved, construction after you move in, and a program deadline for finishing the work. In exchange, the renovation is financed at mortgage rates inside your loan instead of paid in cash.



THE FIRST STEP.

A conversation with a lender who regularly closes these loans. Qualification, program fit, and all final numbers come from them for your specific situation.

We have several independent lenders that can help with this process.



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