

RENOVATION LOAN PROCESS

HERE'S WHAT YOU CAN EXPECT FROM START TO FINISH:

- 1 After prequalifying, find your perfect fixer-upper home.
- 2 Complete your loan application, provide requested documentation, and work out renovation budget details with your loan officer.
- 3 Execute the sales contract on the home.
- 4 Choose a licensed and insured contractor, who will then complete and provide all required forms to the lender.
- 5 The lender and third-party construction management partner review/accept the contractor's credentials, work experience, and client references.
- 6 Contractor provides written bid and/or work write-up, including details of each item to be repaired and a breakdown of labor and material costs. Costs must be reasonable and typical for the area in which the property is located.
- 7 Loan Officer submits the borrower's signed disclosures, contractor documentation, bids, and exhibits to the Renovation Team.
- 8 Behind the scenes, the Renovation Team coordinates acceptance of the contractor and bid/project.
- 9 The appraisal is ordered, and the lender continues loan application processing.
- 10 The borrower and contractor sign the final bid and homeowner/contractor agreement, which includes confirmed repair costs and renovation completion date (cannot exceed 6 months/180 days from anticipated loan closing date).
- 11 The appraisal, final signed bid, homeowner/contractor agreement, and conditions required to close are submitted for final review and acceptance.
- 12 The loan closes and proceeds from the sale are given to the seller. For a refinance: right of rescission period passes.
- 13 The repair/rehabilitation escrow account and post-closing administration are set up.
- 14 Renovations/repairs begin.
- 15 Renovation funds are disbursed as repairs are completed and verified by inspection report.
- 16 Borrower makes full mortgage payments on entire mortgage amount including during the renovations/repairs.

CONTACT OUR TEAM WITH ANY QUESTIONS!



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Not a commitment to lend. Borrower must meet qualification criteria.

This information is meant as a guide to show the general steps of a renovation loan. Not every transaction may follow these steps due to the borrower's specific needs and the type of loan for which they qualify.

