



# CONSTRUCTION AND RENOVATION LOANS

Your clients want to build their dream home from the ground up? Want to repair or renovate their current, next or second home? GMFS Mortgage offers flexible construction loans that often are less costly than other financing options. Plus our processing, underwriting, and closing teams are all under the same roof making for smooth and predictable closings.

Feature	USDA One Time Close	One Time Close	Interim Construction	HomeStyle® Renovation
Loan Purpose	New Construction	<ul style="list-style-type: none"> <li>New construction</li> <li>Renovation &amp; Repair</li> </ul>	<ul style="list-style-type: none"> <li>New construction</li> <li>Renovation &amp; Repair</li> </ul>	Renovation & Repair
Minimum Down Payment	0% (Finance 100% of the properties "subject to" value)	5% for primary residence	5% for primary residence	<ul style="list-style-type: none"> <li>3% for primary residence</li> <li>10% for second home</li> </ul>
Unique Features	Payment reserve established at closing to make payments on your behalf during construction phase (can be financed)	Interest rate is capped on permanent loan	Can use land value equity towards down payment	<ul style="list-style-type: none"> <li>Interest rate is locked at close</li> <li>Can be used for second home</li> </ul>
Loan Type/Term	30 year fixed rate loan	Interest only loan during construction, then modifies to 15 or 30 year fixed rate loan once home is complete	12 month interim loan to complete construction, then refinance into 15 or 30 year fixed rate	15 or 30 year fixed rate loan
Property Eligibility	Primary residences only that are eligible per USDA Property Eligibility Site	Primary residence	Primary residence	<ul style="list-style-type: none"> <li>Primary residence</li> <li>Second home</li> </ul>
Loan Amount	Standard USDA Loan Limits apply & are calculated based on the property's subject to value	Up to \$510,400		
Renovation Costs	N/A	Maximum renovation funds = 75% of "as completed" value		
Contractor Flexibility	Borrower chooses (subject to GMFS approval)	Borrower chooses (subject to GMFS approval)	Borrower chooses (subject to GMFS approval)	<ul style="list-style-type: none"> <li>Borrower chooses (subject to GMFS approval)</li> <li>Do-It-Yourself option in some limited scenarios</li> </ul>
Closings	One (1)	One (1)	Two (2)	One (1)

[gmfsagent.com/products/construction-renovation](https://gmfsagent.com/products/construction-renovation)