

# TURNING A HOUSE INTO *Your Home* RENOVATION HOME LOANS



 **Certainty**  
Home Lending®

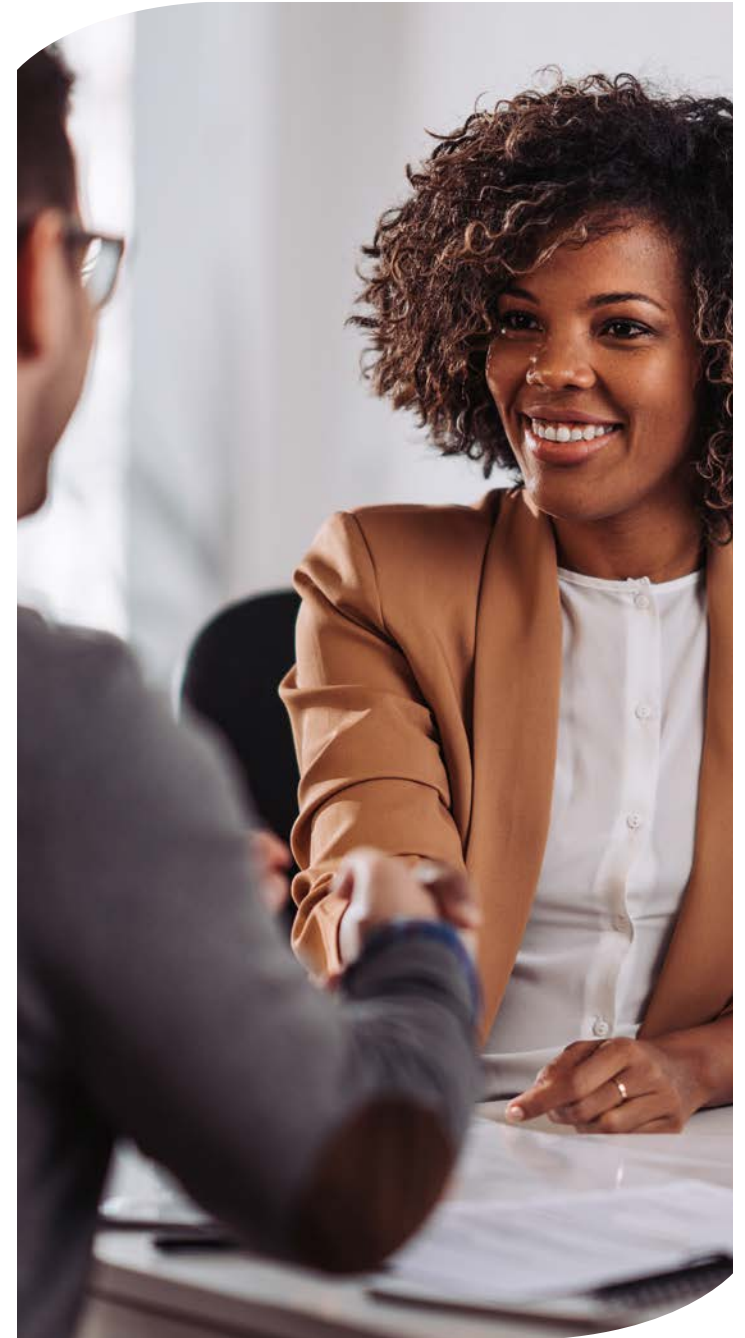
# YOUR PARTNER IN RENOVATING YOUR HOME

Creating your dream home is possible! And with Certainty by your side, you can navigate the mortgage process with confidence. This guide is to help you navigate your renovation and financing journey and help you know what to expect every step of the way.

## After reading this guide, you should be able to:

- Feel comfortable and confident with the renovation process.
- Determine how much home you can afford.
- Understand the basics of the renovation process.
- Find a home that fits your goals and lifestyle.

Create the home of your dreams with renovation lending.





# ENSURING *Confidence* EVERY STEP OF THE WAY

Renovation financing can help you create the home of your dreams! Certainty has been helping homebuyers and homeowners for over twenty years, with a focus on providing a simple mortgage process and unparalleled customer service. Whether you're a first-time buyer or an experienced investor, our knowledgeable and accessible teams are here to guide you every step of the way.

- Quickly discover what you can get pre-approved for quickly with our simple and secure Digital Mortgage.
- Finance the purchase price and the cost of the renovation into one loan.
- Benefit from guidance from your experienced loan officer and renovation specialists to explore our wide array of options and find the home loan that best fits your budget and lifestyle.
- Stay in the loop through the entire process! Certainty's team of renovation specialists stay with you after closing and during the renovation process to make sure the work is completed as you had planned.

Welcome to a simple mortgage process that saves time and allows you to turn a house into the home of your dreams.





# BROADEN YOUR OPTIONS WITH RENOVATION LOANS

Finding the perfect home in today's competitive market can be difficult. To broaden your options, you should consider the option of purchasing a fixer-upper and renovating it to match your personal tastes.

A renovation home loan allows you to get the financing needed to buy a new property and the funds they need to make the renovations and/or repairs on the home. Even better, it's all rolled up into one affordable monthly mortgage payment.

Our dedicated Renovation Specialists will work with you to help find competent licensed contractors, get bids, and obtain renovation information. We even manage the renovation financing by disbursing payment to the contractor on your behalf at key stages of progress so you can focus on the renovation.

There's no need to compromise or live in a home that does not fit into your lifestyle.



# BENEFITS OF USING RENOVATION FINANCING



Combines the purchase price of the home with the cost of the improvements.

Allows you to roll everything into a monthly mortgage payment instead of having to make a large payment for the renovations all at once.

Gives you the ability to hire professionals to do the work so you can focus on other things.

Transforms an outdated house into the dream home you've always wanted, and often increases the value of it.

Allows sellers to sell a house "as-is" without needing to make repairs or updates on a house they are moving out of.

Seller never has an appraisal or inspection repair requirement prior to closing – all work can be done by the buyers' contractor after closing.

# A STRATEGY FOR TODAY'S HOPEFUL HOMEBUYERS

There are a lot of complex factors affecting the market right now. Rising home prices and interest rates are having an impact on the amount of house that hopeful homebuyers can afford. Some are even considering hitting the pause button on their home search - this may work to your advantage once you understand how a renovation loan works.

## Here are some ways that a renovation mortgage can help your home search:

- Helps make your offer more competitive .
- Opens up opportunity in a low-inventory environment.
- Gives you peace-of-mind because you'll know the condition of your new home.
- Allows you to purchase a home in a neighborhood you love.
- Builds home equity quickly.
- Can help you turn a fixer-upper into your dream home.



**Pro tip:** Make sure you work with an experienced renovation lending team who can help coordinate with contractors and know the process.



A renovation loan allows you to combine the purchase price of your home and the total cost to renovate it all in one mortgage loan.

**BUYERS LOVE RENOVATION LOANS...**

because they get to determine what they want done and choose their favorite contractor to do all of the work.

**SELLERS LOVE RENOVATION LOANS...**

because they do not have to spend money on a house they are selling, and all the work is completed after closing. The seller is never required to fix anything prior to closing.

**AGENTS LOVE RENOVATION LOANS...**

because they do not have to worry about closing delays caused by repairs the property inspector or appraiser may require. All repairs and renovation work are done after the transaction closes.





# THE RENOVATION LOAN PROCESS

When you work with Certainty, you gain a dedicated team of Renovation Specialists that are here to assist and navigate the entire renovation process, from coordinating with contractors to understanding the construction draw process.

## Your renovation journey goes like this...

- 1. GET PRE-APPROVED** - Easily find out what loan amount you can get pre-approved for with our Digital Mortgage. You will work with your Loan Officer and Renovation Specialist throughout the entire renovation journey.
- 2. FIND THE PERFECT LOCATION** - It's time to find your ideal home to renovate! Remember, it doesn't have to be perfect. After the renovation, your home will be exactly what you want.
- 3. MAKE AN OFFER** - Negotiate the best price you can to purchase the house in its "As-Is" condition. The difference in pricing will give you more room for renovation costs.
- 4. DEFINE THE RENOVATION & CHOOSE A CONTRACTOR** - Set up an appointment with a HUD consultant and/or contractor of your choice to review the project and determine the cost of the repairs that will be required, and the cost of what you would like to have done. Your Certainty Renovation Specialist will help along the way.





**5. APPRAISAL COMPLETION** – Your dedicated Certainty team will be working behind the scenes to order the appraisal as soon as we have the contractors' information, scope of work and cost estimate. The appraisal will be based on what the house will be worth after the renovations are complete.

**6. PROCESSING & UNDERWRITING** – This is the typical mortgage process of verifying all of the information provided. You may be asked to provide additional documentation - but don't worry, we just have to make sure the "i's" are dotted and the "t's" are crossed. During this time, you will review the appraisal and final renovation budget with the loan team and prepare for closing.

**7. CLOSING** – We're almost there! Review, sign and return the Closing Disclosures, which you will receive at least 3 days before closing. You will sign the Closing Documents on the day of closing. The Renovation funds are set aside in an interest-bearing escrow account.

**8. RENOVATION BEGINS** – Renovations need to start within 30 days of closing and must be complete within 6 months. The Renovation Specialist will work with you and your contractors to make sure everyone understands the construction draw processes, and that the contractor is paid in a timely manner for work completed.

**9. FINAL INSPECTION COMPLETION** – After all work is completed, the renovation escrow will be closed and a final inspection is conducted to ensure that all renovations have been completed as proposed. The contractor will provide all final inspection records to document that everything was completed and are up to code.

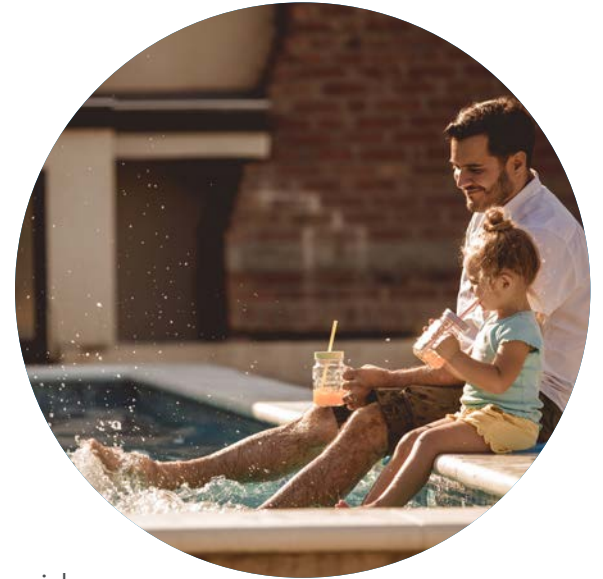
**10. ENJOY YOUR NEW HOME** – Congrats! Your new home is ready and it's time to enjoy what you have created.



Ensuring confidence from start to close.

# POWERFUL RENOVATION LOAN PRODUCTS

Renovation financing can make the difference between a house and a dream home. The loan-to-value (LTV) is calculated taking the proposed value into account, giving you more purchasing power and the ability to make a house your own.



## Our renovation lending suite includes:

**CONVENTIONAL FNMA HOMESTYLE® RENOVATION LOANS** – Have funds for a wide range of renovation projects, from repairs and energy updates to landscaping and luxury upgrades. Benefit from low down payment options and flexible qualifying criteria. Allowed on owner occupied homes, second homes, and single-family resident investment properties.

**FHA 203(K) STANDARD RENOVATION LOAN\*** – This option includes the benefits of flexible FHA credit guidelines. The property can be financed in as-is condition with as little as 3.5% down payment. Seller can pay up to 6% of sales price in closing costs. Structural repairs allowed, home additions and complete remodel if needed. Owner occupied homes only.

**FHA 203(K) LIMITED RENOVATION LOAN\*** – This option is similar to the FHA 203(k) Standard in that it allows flexible FHA credit guidelines and down payments as low as 3.5%. The property can be financed in as-is condition and the Seller can pay up to 6% of sales price in closing costs. Designed for cosmetic non-structural repairs and updates. Up to \$35,000 in total renovation costs can be included in loan.

*Renovation products that exceed your expectations.*

\*Certainty Home Lending has no affiliation with the US Department of Housing and Urban Development, the US Department of Veterans Affairs, the US Department of Agriculture or any other government agency.

**VA RENOVATION LOAN\*** – The VA Renovation loan is a great option for our qualified military service members that allows homebuyers to purchase a home with 0% down, no mortgage insurance, and attractive interest rates.

**FREDDIE MAC CHOICERENOVATION® LOAN** – Need product guidelines or info on what GR offers

“ Just imagine your home renovated the way you would like it to be, then let us show you how you can add the cost of renovation to your mortgage loan. Our team makes a complicated process, simple.”

*Jim Nunn,*

**RVP RENOVATION LENDING**





**ENSURING CONFIDENCE EVERY STEP OF THE WAY**