



## CONSTRUCTION & MORTGAGE FINANCING OPTIONS

### CONSTRUCTION / PERMANENT MORTGAGE - ONE CLOSING

This is a one time (1) closing product. You pay "interest only" payments on the outstanding balance of your loan monthly, up to 12-months.

Once construction is completed, the occupancy permit issued, and the general contractor/builder is paid for all work, we modify the construction loan into a permanent mortgage. The permanent mortgage is like any other mortgage. You can choose a fixed-rate and specify the loan's term, typically 14 or 29 years. It's your choice. Thereafter, you begin to make monthly principal and interest payments for the term of your mortgage loan.

This product is beneficial in substantial closing costs savings, and simplicity of information and communication with your lender.

### CONSTRUCTION ONLY AND PERMANENT MORTGAGE - TWO CLOSINGS

This requires two (2) closings. Your first loan pays for the construction phase. When you move in, you get a mortgage to pay off the construction debt. It's two separate loans.

A stand-alone construction loan can work out in certain situations. It can be an advantage if you already own a home and don't have much cash for a down payment but you will have more cash after you sell your home. You can live in your current home while your next home is under construction. You pay for two closings and two sets of fees – first, on the construction loan; second, on the permanent mortgage.

You pay "interest only" payments on the outstanding balance of your construction loan monthly up to 12 months. Once construction is completed, the occupancy permit issued, and the general contractor/builder is paid for all work, you may pay-off the loan in full or choose your final mortgage product. After your second closing on the permanent mortgage, generally 15-30 years, you begin to make monthly principal and interest payments. Fixed or adjustable rate options are available up to 30-years

While this option may be more expensive, it may be the best option to meet your financial goals depending on the circumstances.