



MURRAY
MORTGAGE SOLUTIONS

CONVENTIONAL

ONE-TIME CLOSE NEW CONSTRUCTION LOAN

Michigan (NMLS# 2429252) | Florida (NMLS# FL0024780) | Colorado (NMLS# 2429252)

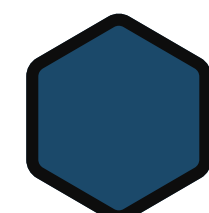
All loan programs, interest rates, down payment requirements, and terms are subject to credit approval, underwriting guidelines, investor requirements, and may change without notice. Not all applicants will qualify. Restrictions may apply, including but not limited to geographic limitations, property type, and occupancy requirements.



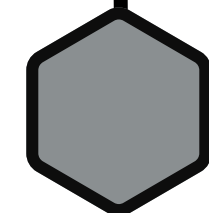
EQUAL HOUSING
OPPORTUNITY



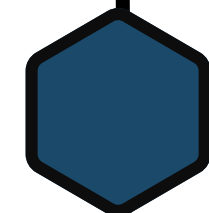
Highlights



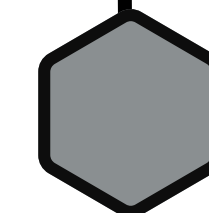
Avoids Double Closing Costs: Simplify the process by avoiding the expense and hassle of two separate closings. One-Time Close Construction loans, also known as Construction-to-Permanent loans, offer the most efficient solution to achieve your objectives.



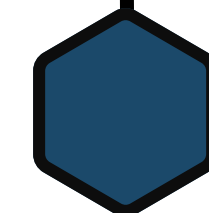
Backed by Fannie Mae: This is a conforming conventional mortgage backed by Fannie Mae, not a risky, high-interest portfolio loan.



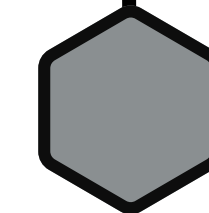
Low Down Payment: Secure your dream home with as little as 5% down on a Primary Residence, 10% for Second Homes and 15% for an Investment Property. *



Payment Structure: You make interest-only payments based solely on the amount drawn during construction, then it converts to a fully amortized long-term Conventional mortgage once complete. Fixed Rate and Adjustable Rate options are available.



Fast Initial Draw Availability: The initial draw becomes available within 3–6 days after closing, allowing your contractor to begin without needing to front any of their own funds.



Streamlined Process: Unlike traditional construction loans with lengthy underwriting times, this program delivers speed and efficiency, ensuring a smooth experience for both you and the Contractor.

*Qualified borrowers only. Subject to underwriting approval.

General Parameters

- 1 **Choose your own contractor** as long as they must meet the baseline requirements for approval.
- 2 5% **contingency** of construction costs must be included in the project but is applied as a principal reduction once the construction is complete.
- 3 The **maximum build time** is initially set to 11 months but extensions are permitted.
- 4 **Modular homes** are eligible.
- 5 Unique properties such as **Barndominiums** are eligible if the appraisal can show acceptable comparables.
- 6 5% **down minimum** on a Primary Residence, 10% for Second Homes and 15% for an Investment Property. *
- 7 Minimum FICO **Credit Score of 700** is required to qualify. Subject to change.

PRE-CONSTRUCTION ROAD MAP

**LET'S FOCUS ON THE PRE-CONSTRUCTION STEPS FIRST. THEN WE'LL
REVIEW WHAT HAPPENS AFTER THE LOAN CLOSES.**

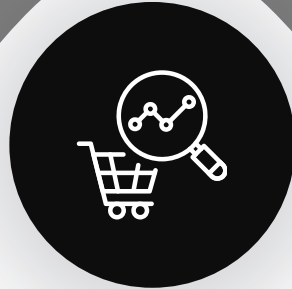
PRE-APPROVAL

Our no obligation pre-approval process can be completed in minutes. Visit our [How To Apply](#) page to learn more.



REVIEW OPTIONS

We'll schedule a meeting to go over your options and ensure this loan is the right choice for your goals.



CONTRACTOR APPROVAL

Contractor receives approval based on qualifications.



PROJECT APPROVAL

The budget, plans and other project documents are reviewed for approval.



UNDERWRITING

Underwriting provides final approval for the loan, contractor and project.



CLOSING

Loan closes and the funds are disbursed.





CONTRACTOR APPROVAL

OUR TEAM WILL WORK CLOSELY WITH THE CONTRACTOR TO GET THEM APPROVED. THEY WILL NEED TO MEET THE FOLLOWING BASELINE REQUIREMENTS. MANY CONTRACTORS ARE ALREADY APPROVED OR HAVE BEEN APPROVED USING SIMILAR STANDARDS SINCE THIS IS A CONVENTIONAL MORTGAGE PROGRAM.



1 - Experience

Must generally have 3 years experience and at least 5 ground-up constructions. Exceptions are allowed on case-by-case basis.



2 - References

2-3 positive references from both homeowners and sub-contractors who have worked with the contractor.



3 - Licensing

Proof they're a licensed Contractor in the state where the property is located .



4 - Insurance

Evidence of adequate liability and workers compensation insurance.





PROJECT APPROVAL

ONCE THE CONTRACTOR IS APPROVED, WE’LL GUIDE THEM THROUGH WHAT’S NEEDED FOR THE PROJECT APPROVAL.



1 - Contract

The borrower and Contractor must both sign the construction contract. The estimated construction costs in the contract must match the Budget.



2 - Budget

Full estimated cost breakdown provided from the Contractor. Must match amount included in the construction contract.



3 - Plans

One full set of plans/blueprints for the construction and job specifications.



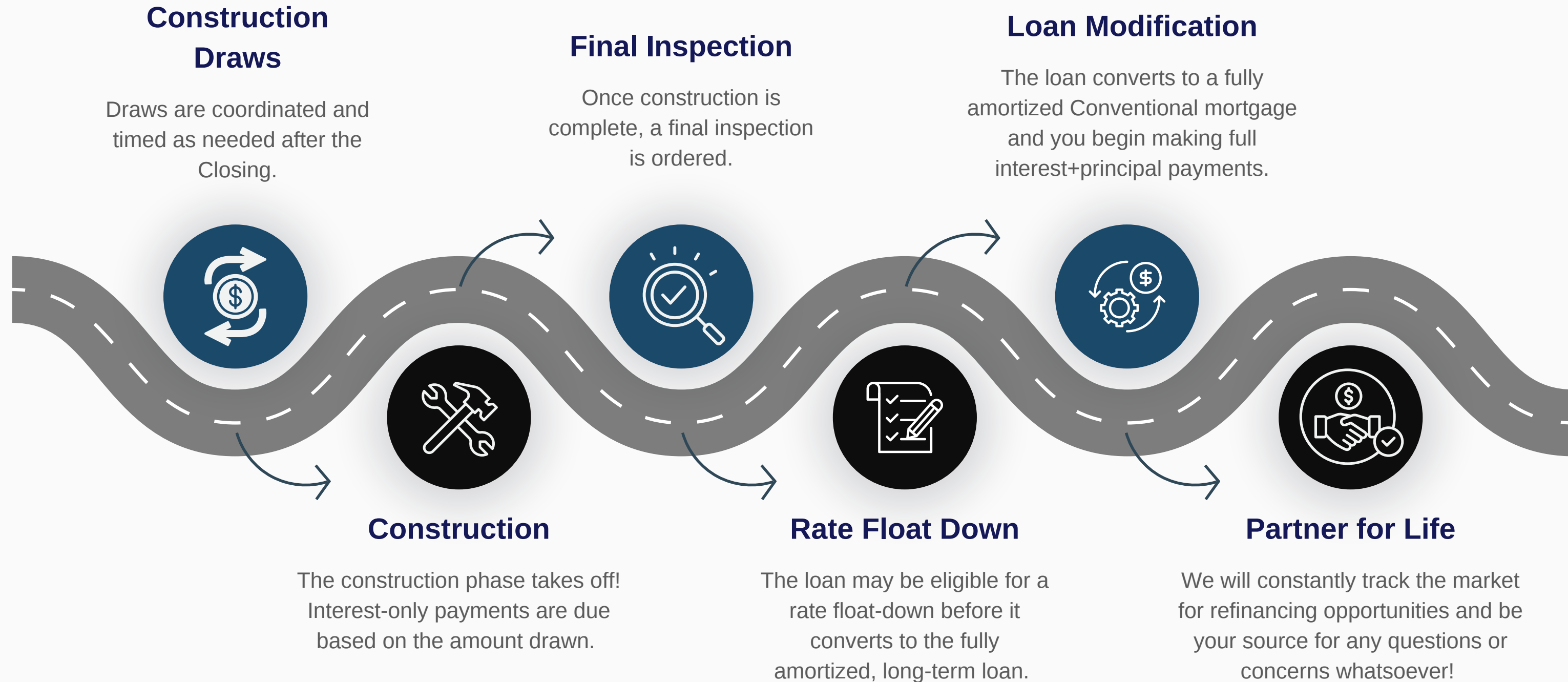
4 - Appraisal

An appraisal will be ordered based on the plans and specifications once the loan is in Underwriting. The appraiser will base the market value on the future completed project.



POST-CONSTRUCTION ROAD MAP

NOW LET'S FOCUS ON THE STEPS ONCE THE LOAN CLOSES.



INTEREST RATE FLOAT-DOWN

The note rate at time of closing will be the interest rate for permanent financing, unless it’s eligible for an interest rate float-down during the loan’s modification to permanent financing. This process gives you a lower final rate after float down, if market rates have fallen. The current market rate at time of modification is the lowest rate with the same cost basis as the note rate for the current product as offered. A minor float-down rate adjustment of (.125%) will be added to the current market rate if eligible for an interest rate float-down at loan modification.

Example 1: The final request for disbursement is received after the construction phase is complete, and the current market rate has improved since closing. The new note rate would be lower than the original note rate.

Example 2: The final request for disbursement is received, but the current market rate has worsened since closing. The final note rate would remain the same.

At Closing		Float-Down Rate	
Closing Date	01/25/23	Final Request for Disbursement	10/01/23
Note Rate	6.75%	Current Market Rate	6.5%
Cost Basis	102.7	Cost Basis	102.7
		Float-Down Rate Adjustment	0.125%
		Final Rate after Float-Down	6.625%

At Closing		Float-Down Rate	
Closing Date	01/25/23	Final Request for Disbursement	10/01/23
Note Rate	6.75%	Current Market Rate	7.0%
Cost Basis	102.7	Cost Basis	102.7
		Float-Down Rate Adjustment	0.125%
		Final Rate after Float-Down	7.125%

*Rates listed are for illustrative purposes only and don’t represent actual rates offered. Actual rates may be lower or higher.

FAQ

What is the loan repayment structure? What if I'm only financing part of the costs?

During the construction phase, you'll make interest-only payments based **solely** on the amount drawn on the loan, at the long-term note rate. Any funds of your own will be used first before the loan is drawn on. Once the construction is complete, the loan converts into a fully amortizing conventional mortgage.

Can I lock my interest rate?

Yes, you can lock in your interest rate at or before the time of closing to protect against increases. Additionally, if rates drop after construction, you have the option to relock at a lower rate.

Can I be my own Contractor?

Yes but self building still requires that you and/or your company meet the Contractor approval requirements.

Do I have to already own the land?

No. The loan is designed to finance the land also if needed. The loan can also be used to pay off an existing land loan.

Can the loan finance the costs of a "teardown?"

Yes. That would just be included in the Budget.

Do I need to sell my current home and Rent somewhere while the new home is being built?

This just depends on whether or not you qualify for the new construction loan while retaining your current home. We will help you determine this during the pre-approval process.

What if the build time goes over 11 months?

If it extends beyond 11 months, you will need to provide updated income and credit documentation to ensure there were no major changes. Extensions for the build time are allowed up to a maximum of 18 months.

What types of loan terms/options are available?

You can choose from 15-year and 30-year fixed-rate loans, or 7/6 and 10/6 ARMs for conventional loans, depending on your preference and qualifications.

What are the costs associated with this loan?

The costs are generally the same as as a normal purchase mortgage with the addition of several fees related to the oversight process throughout the build period. We'll fully disclose all costs up-front before you decide to move forward, no obligation whatsoever.





TAKE THE FIRST STEP!

Visit our How to Apply page and learn about our ClearPath™ application process which gives you total control over the process from start to finish.
We look forward to working with you!



www.murraymortgagesolutions.com/howtoapply



[Schedule a Meeting with a Loan Officer](#)



Call us at 231-838-7068