

# Construction Loans



Build, Renovate, Repair.

Our Construction Loan programs are designed for borrowers who want to build on their existing vacant lot or for homeowners who wish to tackle a major renovation, addition or repair of their existing home. Finance Factors offers both a Construction-Only option as well as a Construction-Permanent loan.

## Construction-Only Benefits

- Offers the most flexibility in selection of a permanent loan
- Great for situations where there is an underwriting issue that will be resolved by the end of construction and prior to getting the permanent loan

## Construction-Permanent Benefits

- Borrowers do a one-time closing and save on costs, plus they lock in their permanent financing up front
- Interest-only payments keep payments low during the construction period

## Unusual Situations

- **Insufficient down payment?** Cross-collateralize another property and use the combined Loan-to-Value (LTV) to finance 100% or more of the project, including debt service during the construction period.
- **Investor loan?** We allow for an entity to be on the Title or the Note: LLCs, Corporations, Partnerships, and Trusts accepted with a Personal Guarantor.
- **High Debt-to-Income (DTI) ratio?** With sufficient equity, we can establish a debt-service account to pay all or part of the monthly payments during the construction phase of the loan.
- **Need more time?** Contracts in excess of \$450,000 qualify for an 18-month construction term. Call if you need an even longer term.
- **Need more money?** Loan amounts up to \$2,500,000. Call to discuss larger requests.
- **Underwriting issues?** Call to discuss low FICO scores and unusual/difficult income and employment situations.

## General Guidelines:

- Available for owner-occupant, investor and foreign investors
- Loan amounts from \$100,000 to \$2,500,000. Call to discuss larger requests
- Maximum LTV of 80% for owner-occupants; 75% for investors
- Fee simple 1-4 unit residential properties in Hawaii only
- If construction-only, borrower must be able to qualify for permanent financing
- Required: bond, construction contract and specifications, building permit, approved/stamped plans, licensed general contractor
- Architect or engineer inspections required for contracts in excess of \$750,000



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