

Titan Home Lending, LLC

“Top Originator of Renovation Loans since 1993”

FHA 203k/Fannie Mae Homestyle Renovation Process

- 1. Loan Approval-** The first step to 203k/Homestyle is a full approval of the buyer. The buyer will submit all income, asset and credit documents to Andy Wood. The buyer will be approved for a loan amount within 3 business days. This approval will include all the information needed to write a contract. **BUYER IS APPROVED FOR A LOAN AMOUNT!**
******Please review the approval for SELLER CONCESSIONS NEEDED!!!!**
- 2. Property Screening-** Realtor and buyer coordinate what neighborhood, school district, location and desired price range. (Note that property “size” and “condition” are not included). The 203k allows the owner to increase bedrooms, bathrooms, family rooms and garages and almost any improvement is allowed in a “FULL 203(k)”
- 3. Get an Insurance Estimate “BEFORE” you make an offer-** Insurance costs are everything! Approvals are based on (Principal, Interest, Taxes and INSURANCE). Ask the agent if any inspections are necessary, ask them to pull a Flood certification, ask them to review the property for what discounts may be offered for wind mitigation/new roof etc. This is also a **KEY FIGURE TO KNOW WHEN REQUESTING SELLER CONTRIBUTIONS FOR CLOSING.** For example, a wood frame home in a remote area with a flat roof and in a FLOOD zone could be \$5000 more needed at closing! If you need an excellent resource for insurance...
[KIMBERLY BRYANT/HARBOR INSURANCE- 727-528-2240 KBryant@Harborins.com](mailto:KBryant@Harborins.com)
- 4. Contract on property-** The buyer writes a contract on the property subject to the terms of the approval. Please visit my website for a “Sample Contract” www.TitanHL.com or email AWood@TitanHL.com for a copy.
Standard contract is **45 day closing.**
Major structural/repairs (\$50k or greater) suggest **60 day closing**
Room additions, bathroom additions, second stories all need architectural plans. **PLEASE ASK GC FOR ESTIMATE OF TIME NEEDED**
- 5. SCHEDULE WATER AND ELECTRIC TO BE TURNED ON IMMEDIATELY-THESE MUST REMAIN ON FOR THE INSPECTION AND THE APPRAISAL** If the property has well issues, you will need to get a WELL company out to diagnose and circumvent the pump issue to pressurize the house. They will need a pump and a generator. They will also provide an estimate for repairs and we suggest they treat the well and test the Water with the local Health Department. Most Bank-Owned and Vacant home wells don’t pass the first time so do not be alarmed.

6. **203k/Fannie Mae Inspection and Contractor Estimate-** The buyer **MUST** schedule a “**203k Inspection with A HUD Certified Consultant (DO NOT USE A STANDARD HOME INSPECTOR)**” and schedule a “Licensed General Contractor” to meet at the property at the same time. If the age of the home requires a **4 POINT INSPECTION FOR INSURANCE**, the buyer should also schedule at this time. (Most 203k Consultants also are approved to do 4 point inspections for insurance) Please visit my website for a **list of HUD Certified 203k Consultants** www.TitanHL.com or Email AWood@TitanHL.com
7. **Contractor submits estimate to 203k Consultant for FINAL SCOPE OF REPAIRS-** The 203k Consultant will coordinate with the contractor the scope of work and all costs in the project and forward to the buyer and Titan Home Lending, LLC. The contractor must provide: License, Liability Insurance, Workman’s Comp or Exemption Letter, a W-9 form and a resume (Including 3 trade references and 3 past customers)
8. **APPRAISAL CANNOT BE ORDERED UNTIL FINAL GC ESTIMATE AND FINAL SCOPE OF REPAIRS PROVIDED BY 203k/Fannie Mae Consultant**- The “After-Improved” or “As-Completed” appraisal will be ordered with the contract and Specification of Repairs/Estimate. Appraisal takes 2 weeks. **It is imperative that this be done as quickly as possible!**
AT THIS TIME...LOAN ESTIMATE PROVIDED, APPLICATION DOCS PRINTED, TITLE ORDERED, APPRAISAL ORDERED, IRS TAX TRANSCRIPTS ORDERED AND LOAN SUBMITTED.
IT TAKES 30 DAYS TO CLOSE FROM THIS DATE!!!!
9. **Closing-** Closing can only be scheduled after the loan has been “Cleared to Close” and instructions are sent to the title company within 3 business days. Some Sellers/Banks/Short Sale Lenders require a few days to approve the closing documents. When approved, you close within a few days. At that time, you own the home (in as-is condition) and the seller gets their proceeds. We set up a **REPAIR ESCROW ACCOUNT** which includes funds for repairs, contingency reserve (10-20%), inspection fees and title updates.
10. **Renovation Funding-** Your contractor will need to pull all permits before they start work. (Most projects are completed in 30 -45 days on a vacant home but major projects can take longer) The GC will get paid **AS WORK IS COMPLETED in 1-5 Draws.**
11. **Renovation Repairs-** The contractor must start repairs within 30 days and has 180 days to complete them. **DO NOT MOVE IN IMMEDIATELY!** Keep your old housing for at least 30-45 days to allow the contractor to complete the work before you move in. You do not want contractors in your home, moving your furniture, dealing with your pets, working around your schedule. This is a JOBSITE! Dust and construction debris destroy everything. Let them get in, do the work, clean the property and then move in.

Andy Wood
HUD Certified 203k Instructor
State Licensed for Continuing Education
23 Years of Experience in 203k/Fannie Mae Homestyle Lending
Over 5200 203k/Homestyle’s Closed, Funded and Managed since 1993
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