

Renovation Loan Product Guide

Program	FNMA HomeStyle	FHA Limited 203(k)	FHA Standard 203(k)
Type of Repairs	<ul style="list-style-type: none"> ■ Health & Safety, livability ■ Structural repairs allowed ■ Luxury items allowed 	<ul style="list-style-type: none"> ■ Health & Safety, livability ■ Luxury items not allowed ■ No structural repairs 	<ul style="list-style-type: none"> ■ Health & Safety, livability ■ Structural repairs allowed ■ Luxury items not allowed
Minimum Repair Amount	\$5,000	No Minimum	\$5,000 (FHA has requirements for what is allowed in the first \$5,000)
Renovation Amount	Maximum renovation costs 75% of the after-improved value	Maximum renovation costs \$35,000	No limit
Mixed-use Properties	Not allowed	Not allowed	Not allowed
Property Age	No age restriction	1 year old	1 year old
# of Contractors	General contractor	Maximum 3 specialty contractors permitted. General Contractor not required.	General contractor
Self Help	Not allowed	Not allowed	Not allowed
Loan Types	Fixed rate	Fixed rate	Fixed rate
Loan Limits	Conventional conforming loan limits	FHA county loan limits	FHA county loan limits
Maximum Down Payment	Down payments as low as 3%.	Down payments as low as 3.5%.	Down payments as low as 3.5%.
Transaction Type	<ul style="list-style-type: none"> ■ Purchase ■ Rate/term refinance 	<ul style="list-style-type: none"> ■ Purchase ■ Rate/term refinance 	<ul style="list-style-type: none"> ■ Purchase ■ Rate/term refinance
Occupancy Type	<ul style="list-style-type: none"> ■ Owner occupied ■ Second homes ■ Investment 	Owner occupied only	Owner occupied only
Homebuyer Education	Not required	Not required	Not required
Units	1-4 units	1-4 units	1-4 units
Contingency Percentage	10-20%	10-20%	10-20%
Contingency Reserve Usage	<ul style="list-style-type: none"> ■ Health and Safety and unforeseen repairs first ■ Remaining Funds at borrower's discretion ■ Unused portion applied as principal reduction after completion of renovation 	<ul style="list-style-type: none"> ■ Health and Safety and unforeseen repairs first ■ Remaining Funds at borrower's discretion ■ Unused portion applied as principal reduction after completion of renovation 	<ul style="list-style-type: none"> ■ Health and Safety and unforeseen repairs first ■ Remaining Funds at borrower's discretion ■ Unused portion applied as principal reduction after completion of renovation
Payment Schedule	<ul style="list-style-type: none"> ■ Material draws: up to 50% of the total upfront material costs may be released at beginning of project for the purpose of acquiring materials that are identified in the project estimate. ■ Funds are disbursed after work has been completed and inspected by a third party inspector ■ Maximum 5 draws as work is completed. ■ Soft costs, such as permits, construction drawings, etc. can be disbursed at closing. 	<ul style="list-style-type: none"> ■ Up to 50% up-front as requested by the contractor ■ Reminder of the funds when the borrower sign off that the work is complete and has been inspected if applicable. ■ Soft costs, such as permits, construction drawings, etc. can be disbursed at closing. 	<ul style="list-style-type: none"> ■ Payments are made after a HUD-approved consultant approves the work. ■ Maximum 5 draws as work is completed. ■ Soft costs, such as permits, construction drawings, partial deposit toward material items, etc. can be disbursed at closing.