

Making a House Your Dream Home with a Prospect Renovation Loan!

With the number of short sales and foreclosures on the market, many in need of repair or upgrades, renovation loans may give you the perfect opportunity to own the home you’ve always wanted. Renovation loans allow you to shop for and purchase a home in your desired buying area and in your price range, but that may need a new roof, upgraded bathroom, new kitchen, windows, etc. Renovation loans can help you get a great deal, and make a good house GREAT!

Unlike many lenders, Prospect offers a full line of renovation mortgages. Here are a few basics to help you understand the differences.

	FHA 203(k) Renovation Mortgage (Consultant)	FHA 203(k) Renovation Mortgage (Streamline)	Fannie Mae HomePath® Renovation Mortgage	Fannie Mae HomeStyle® Renovation Mortgage (Consultant)	Fannie Mae HomeStyle® Renovation Mortgage (Streamline)
LOAN TYPE	Purchase or rate term refinance	Purchase or rate term refinance	Purchase only	Purchase or rate term refinance; fixed rates only	Purchase or rate term refinance; fixed rates only
PURPOSE	Purchase or refinance and renovate most residential properties	Purchase or refinance and renovate most residential properties	Purchase and renovate a HomePath® designated Fannie Mae-owned property	Purchase or refinance and renovate most residential properties	Purchase or refinance and renovate most residential properties
DOWN PAYMENT	3.5% minimum down payment [Loan to Value (LTV) of 96.5%] Primary residences only; minimum 640 FICO	3.5% minimum down payment [Loan to Value (LTV) of 96.5%] Primary residences only; minimum 640 FICO	3% min. down for primary SFR, 97% LTV, min. 660 FICO; 15% min. down for 1-unit property (2nd home or investment), 85% LTV, min. 680 FICO; 25% min. down for 2-4 unit primary or investment, 75% LTV, min. 620 FICO for primary and 680 for investment	5% min. down for primary SFR, 95% LTV, min. 660 FICO; 20% min. down for 2nd homes, 80% LTV, min. 660 FICO; 25% min. down for 2-4 unit primary, min. 660 FICO and 1-unit investment, 75% LTV, min. 680 FICO	5% min. down for primary SFR, 95% LTV, min. 660 FICO; 20% min. down for 2nd homes, 80% LTV, min. 660 FICO; 25% min. down for 2-4 unit primary, min. 660 FICO and 1-unit investment, 75% LTV, min. 680 FICO
GIFT FUNDS	Per HUD guidelines, gift funds are permitted	Per HUD guidelines, gift funds are permitted	Per Fannie Mae guidelines, gift funds can be used for down payment/closing costs for SFR	Per Fannie Mae guidelines, gift funds can be used for down payment/closing costs for SFR	Per Fannie Mae guidelines, gift funds can be used for down payment/closing costs for SFR
MAXIMUM LOAN AMOUNT	Loan amounts within FHA County loan limits; high balance option available	Loan amounts within FHA County loan limits; high balance option available	SFR: \$417,000 max. loan amount (AK and HI: \$625,500)	SFR: \$417,000 max. loan amount (AK and HI: \$625,500); high-balance loan option available LTVs equal or less than 90%	SFR: \$417,000 max. loan amount (AK and HI: \$625,500); high-balance loan option available LTVs equal or less than 90%
MORTGAGE INSURANCE	Upfront MI premium and monthly premiums; loans with LTV > 90%, monthly premiums are for life of loan (max. 30 years)	Upfront MI premium and monthly premiums; loans with LTV > 90%, monthly premiums are for life of loan (max. 30 years)	No Mortgage Insurance (MI) required	Monthly premiums for all loans when LTV is > 80%; monthly premiums will automatically terminate at 78% LTV	Monthly premiums for all loans when LTV is > 80%; monthly premiums will automatically terminate at 78% LTV
RENOVATION MAXIMUM	No max. on renovation amount as long as max. loan amounts are within FHA County loan limits	Renovation amount up to \$35,000	Renovation amount max. is 35% of the as completed value, not to exceed \$35,000	Renovation amount max. is 50% of the as completed value	Renovation amount max. is 50% of the as completed value, not to exceed \$35,000
RESIDENCE	Available for 1-4 unit primary residences	Available for 1-4 unit primary residences	Available for 1-4 unit primary residence, 1-unit 2nd home and 1-4 unit investment properties	Available for 1-4 unit primary residence, 1-unit 2nd home and 1-unit investment properties	Available for 1-4 unit primary residence, 1-unit 2nd home and 1-unit investment properties
REPAIRS	Allowable repairs from structural changes to landscaping, new appliances and more	Allowable repairs from flooring/painting, remodeling kitchen/bath, appliances and more; no major remodeling, structural repairs or landscaping	Allowable repairs from flooring to painting, remodeling kitchen/bath, appliances and more	Allowable repairs from structural changes to landscaping, new appliances, swimming pools, and more; luxury items allowed	Allowable repairs from flooring/painting, remodeling kitchen/bath, appliances and more; no major remodeling, structural repairs or landscaping; luxury items allowed

Prospect customers benefit tremendously from our internal Draw Department. We are able to disburse initial draws (payments for renovation work) within 12-14 business days from closing. This quick disbursement time allows us to provide funding for work to begin more quickly than other lenders who do not manage the draw process. As a result, you’ll have the peace of mind you need, knowing that our Draw Department is providing world-class service every step of the way.

I am a certified Renovation Lending Specialist and can answer all your questions about these exciting loan programs, and work with you to get pre-qualified. Contact me today!



Faith Watkins

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I am licensed to originate mortgage loans in the following state(s): OR, WA



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