



**FAIRWAY**<sup>®</sup>  
INDEPENDENT MORTGAGE CORPORATION

**RENOVATION  
DEPARTMENT**



## THE TRUTH ABOUT *Home Renovations*

### Don't Just Dream It. Make It Reality.

When it comes to achieving their dream home, many homeowners immediately assume they have to outright buy it, but with numerous renovation mortgage options, including purchasing and refinancing, the housing market can be your oyster. While buying the right property is one way to attain your dream home, you can also take a property that needs some work and make it your own!

### Here are some things to keep in mind regarding renovation loans.

#### #1 | YOU'RE ACTUALLY PRE-APPROVED\* FOR A RENOVATION LOAN WITHOUT EVEN KNOWING IT.

Most buyers don't realize that renovation costs can be included in their mortgage. For example, \$300k in pre-approval is the same as \$250k plus \$50k in renovation costs. At the end of the day, you may be able to finance the upgrades without having to find additional financing sources.

#### #2 | THERE ARE LOTS OF MYTHS AND MISCONCEPTIONS ABOUT RENOVATION LOANS.

- **FALSE:** You can't finance a home with structural issues, a busted roof, mold, no kitchen or bathroom or any other major issue.
- **FALSE:** You can't use renovation financing to update/upgrade a property that has not been touched since it was originally built.
- **FALSE:** Renovation loans have a separate set of credit qualifications.

#### #3 | YOUR CONTRACTOR MATTERS.

Simply put, without the contractor's scope of work, we can't order the appraisal. How would the appraiser give us the subject-to-completion value if they didn't know anything about the project?

#### #4 | IT'S IMPORTANT THAT WE ALL BE ON THE SAME PAGE.

We get the players involved together (i.e., "The Huddle") and go over who's responsible for what, how it affects the transaction, and milestones we need it to hit.

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# Renovation Loans Tell a Story

## #1 We identify the types of repairs and improvements needed.

Many different types of repairs and improvements are allowed on renovation loans, including minor cosmetic improvements, adding square footage, creating a backyard oasis and remediating issues that keep the property from qualifying for a traditional loan.

## #2 Draws and inspections during the renovation period.

After your loan closes, you and your contractor will work with a dedicated draw administration specialist requesting and releasing disbursements on your renovation project.

## #3 The contractor gets to work!

With contractors in place, they must complete the work in the allotted time allowed for the project.

## #4 You can enjoy a housewarming party!

Using a renovation loan to transform property is personal. The best form of advertising is showing off the finished product. Celebrate and unwind — you deserve it!

*Want to learn more about renovation loans? Contact us today!*



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