



Welcome to Trophy Club:
One Hour CE Class
Happy Hour!
Trophy Club's Golf Simulator
Enjoy

**We would like to introduce Alia Kottas with
Trophy Club Country Club**

Thanks for the great location and fun event!



Interim Financing Continuing Education Course, brought to you by:

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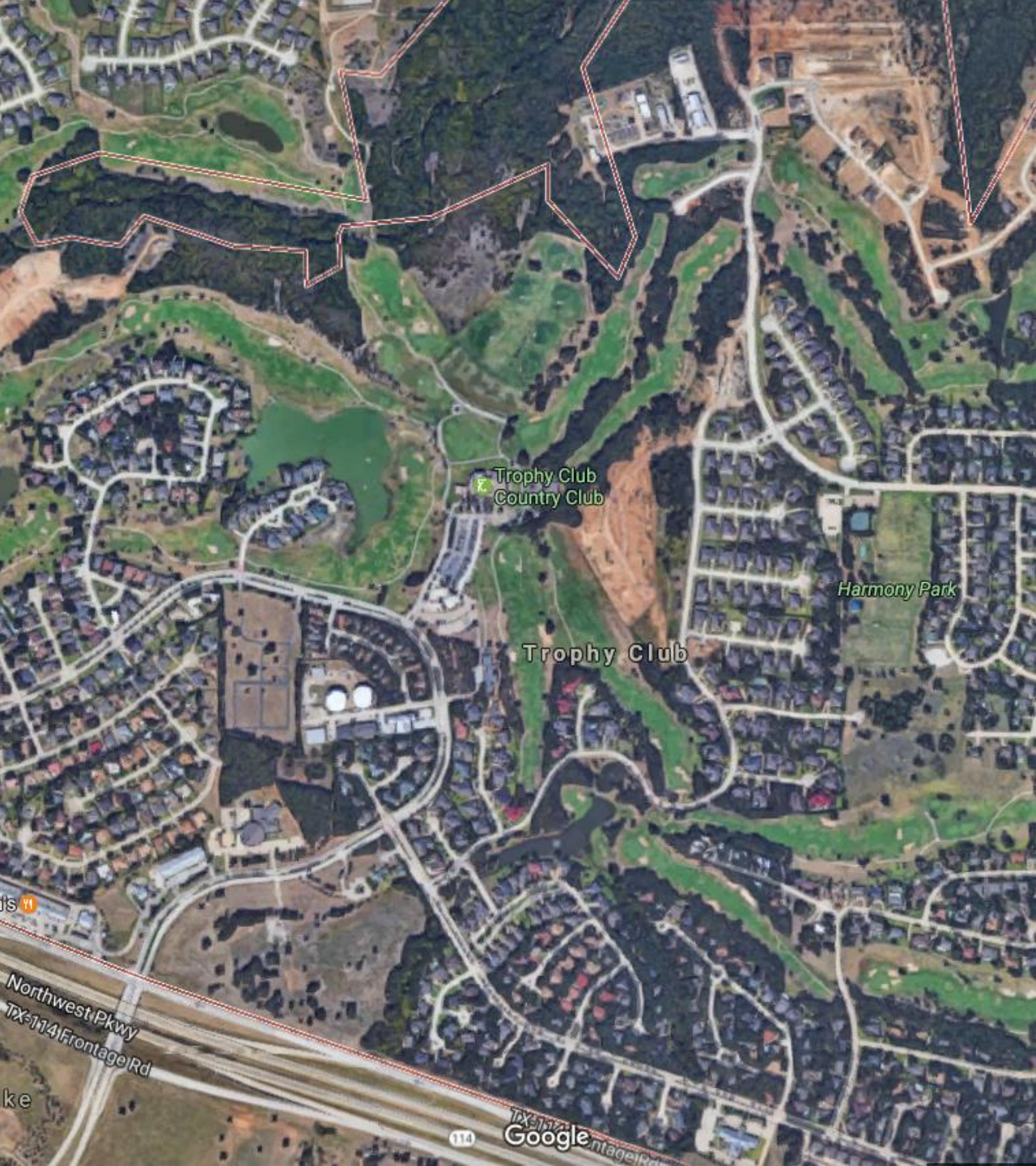
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- Lot Loans
- Construction Loans
- Bridge Loans
- Renovation Loans

The short and sweet loans!
I'm here to tell you why they work long term.



Lot Loans

How to buy a single lot

Coach your client to keep in mind the most important rule of real estate:

o **LOCATION** o **LOCATION** o **LOCATION**

- Why is buying a lot more difficult today?
- What are the terms of a lot loan?
- Who provides financing for a lot loan?
- How long can I hold my lot loan before building?



Construction Loans
Includes design costs

Hire a design expert!

**Find someone who has
experience with all
regulatory requirements.**

- Story about the Architect for my building.
- Does designing houses require certain designations?
- How much should plans cost? I have a friend...
- Various Cities may have requirements for the plans to be approved.





Construction Loan
Covers building costs

Costs include:

**Engineering, Foundation, Permits,
Surveys, Appraisals**

Use experts in the area.
The lack of knowledge will delay the project.

Main recommendation...

EXAMPLES OF CONSTRUCTION COSTS

BUILDING PERMITS	FRAMING LABOR	INSULATION	ACME BRICK INVOICE	INTERIOR DOOR HANDLES	GRANITE & TILE INVOICE	APPLIANCES	TOUCH UP PAINT	CERTIFICATE OF OCCUPANCY
INTEREST PAYMENTS CONSTRUCTION BANK	DOORS	CLEAN UP EXPENSE	DRYWALL	PLUMBING FIXTURES	PLUMBING	WINDOWCOVERINGS	INSULATION - ADDED	
SURVEYS - TYPICALLY A 3 PART SURVEY	ENGINEERING CHANGES	ELECTRICAL TRIM OUT	SITE CLEAN UP	STONE & BRICK MATERIAL	WATER BILL	CARPET	INSURANCE	
ENGINEERING CHANGES	INSURANCE - BUILDER'S RISK	SECURITY	WATER BILL	LIGHTING ENGINEERING	ELECTRICAL TRIM OUT	EXTERIOR DOOR HARDWARE	HARDWARE INSTALL	
FOUNDATION DESIGN	WINDOW INVOICE	LUMBER EXTERIOR	DOORS-FINAL	TILE INSTALLATION BATHROOMS	SECURITY SYSTEM	INTERIOR DOOR HANDLES	CLEANUP INTERIOR	
FOUNDATION ENGINEERING	PLUMBING	DRYWALL	EXTERIOR BRICK STONE LABOR	PLUMBING FIXTURES	SWITCHES FOR IT ROOM	WINDOW CLEANING	AIR CONDITIONING	
FOUNDATION CONSTRUCTION	FOUNDATION FINAL	STONE LABOR	PAINTING	GUTTERS	GRAB BARS FOR THE BATHROOMS	INSTALL GAS METERS	WATER BILL	
CONCRETE	ROOF TILES	WATER BILL	ROOF TILES	INTERIOR PAINTING	FINAL WIRING	EXTERIOR LIGHTS	LANDSCAPING	
SOUTHLAKE WATER METER INVOICE	WIRING, DATA, PHONE, MUSIC, HDMI	SITE CLEAN UP	CABINETS	INTERIOR TRIM AND DOORS	TILE INSTALLATION	FINAL GRADE	BUILDING LANDSCAPING	
LUMBER	EXTERIOR PAINTING	STONE LABOR	TRIM LABOR	CARPET	HARDWARE AND MIRRORS	EXTERIOR STAIN	ELECTRIC BILL	



Choose your contractor carefully...



Construction Loan pays for
all contractor costs



Budgeting for an Interim Construction Loan

Interim Construction Loans can be budgeted to cover all construction expenses until completion.

- What happens if the budget goes over?
- What happens if certain line items are over budget?
- What happens if costs come in lower?
- What if you run out of money?



Benefits of a construction loan...



Create your dream home
Build to your specific needs
Make money on the finished product



What is a bridge loan?

This loan 'bridges the gap' between selling the existing home and building the dream home.

Examples...



What's the downside of a bridge loan?

Term expiration

Additional cost

Two closings



What's the benefit of a bridge loan



Stronger selling approach –
there's no rush!

Greater profit because you're
not taking a low ball offer

Allows more time to fix up the
home after they move out

**The benefits of a bridge loan can easily
outweigh the cost!**



Renovation Loans & how they work

Renovation Loans can be a combination of a permanent loan and a construction loan, or a stand alone second lien.





- ◇ First Lien vs Second Lien Renovation
- ◇ Interior vs Exterior Renovation
- ◇ What type of loan products are available for home renovation?

What renovations make you the most money?!



Fixed Rate Renovation Options: Fannie Mae Homestyle

Renovation funds are added to the acquisition funds on a purchase.

Features & Benefits:

- ◇ 95% loan to value for owner occupied, second homes and investment properties available
- ◇ Generally a licensed contractor is required
- ◇ Draw schedule established for work completed
- ◇ For a purchase transaction the loan to value is based upon the lower of the acquisition price plus renovation or the as-completed appraisal.
- ◇ Refinance Renovation also available for existing homeowners



Other Options:

Bank Financing as a second lien is very common.

Many banks in the area provide this type of financing.

FHA also provides a 203k program for smaller renovations.

Small or large renovations are available.

Renovations for repairs also are available.



Renovations can come in many forms...from functional repairs to major improvements!

Interim financing is an option for all repairs.

The type of financing options vary widely.
***A crucial step for the homeowner is to do their research before jumping into major improvement projects.**



In Summary:

Interim financing can cover a variety of purposes from lot loan, construction loan, bridge loan and renovation loan.

I'm happy to advise and consult with your clients on the best course of action, even if there is a better lender for their needs.



Other CE Classes:

FHA/VA

Expat Lending

Mortgage Overview

QM vs Non QM

These are all classes that are available to your brokerage office.

Please let us know if we can provide a lunch and learn for your office on any of these topics.



Thank you for your time and attendance today! We hope you enjoyed our presentation.

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Next Up:

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Thanks Alia Kottas and the Trophy Club Staff for providing this great location and such great service for our event today!