

SINGLE CLOSE CONSTRUCTION LOANS

Building your own home can feel like a dream come true. It allows you the flexibility to create the home you want in a location of your choosing.

Moving forward with a new build is a big decision and a big commitment. With a single close construction loan, we simplify the process for you with financing designed specifically to streamline building a new home.

SINGLE CLOSE CONSTRUCTION BENEFITS

- ↙ Great for first-time homebuyers
- ↙ Low credit scores accepted
- ↙ Possible 0% down payment
- ↙ Competitively low interest rates
- ↙ Term length options
- ↙ Fixed or adjusted interest rate
- ↙ No monthly mortgage insurance

WHAT IS A SINGLE CLOSE CONSTRUCTION LOAN?

With a single close construction loan, you can finance both the construction of your new home and the long-term mortgage that will be needed to afford your home once it's built.

This streamlines the process, allowing you to close on your home loan once, rather than having to secure two or more separate loans for the property, construction, and home financing.

You qualify once and have a single appraisal, loan originator, and closing process. This reduces the time it takes to build and move into your new home, protects you from unforeseen circumstances down the road, and saves you from paying double the closing costs.

With other loan options, financing new home construction has been notoriously difficult. Buyers had to find a way to finance the land, construction project, and home. In many cases, this required getting two or three loans.

Home construction is complicated and requires many moving parts. Single close construction loans are made to help simplify the process.

Qualifying for a one-time close construction loan is no more complicated than qualifying for a conventional home loan, depending on your overall financial health and risk level.

HOW DO SINGLE CLOSE CONSTRUCTION LOANS WORK?

If you'd like to see whether you qualify for a single close construction loan, connect with us. To get you started, we've

outlined the steps needed and loan programs available to help you understand the process.

THE FINANCING PROCESS

Get in touch with us to see if we can start the process to finance the construction of your new home.

CHOOSE A BUILDER. Find a reputable builder in your area who meets eligibility requirements for financing, including 3 years minimum experience building residential homes, a minimum of \$1 million per year in volume, and that their primary business is building residential homes.

PREPARE A CONTRACT. We'll work with you as you prepare a contract with your builder to determine if the home is within your budget and what the cost and timeline will be to build your home and finance it.

BEGIN THE LOAN PROCESS. Once you review and sign the contract, it will be evaluated by our construction underwriting team. Signing the contract and providing needed documentation usually take only a few days.

UNDERWRITE THE LOAN. Our underwriting team will evaluate and potentially approve the loan for the construction process, as well as the permanent portion of the loan in one single step.

CLOSE THE LOAN. With a final review of all the financial information you submitted, including documentation of current income and financial liabilities, you can sign the paperwork to close on your loan and secure financing.

BEGIN CONSTRUCTION. You'll begin construction on your new home within 30 days of the closing date. Your construction team

will provide you with regular updates on the progress of your home. We'll manage the construction phase, including ordering draw inspections and any state-required surveys and inspections.

SINGLE CLOSE CONSTRUCTION LOAN PROGRAM OPTIONS

We offer specialized loan programs to meet various borrower needs. Each loan program is government-backed, meaning we follow standard rules for fees, interest rates, and how funds are used.

Government backing allows borrowers to secure financing with low or no down payments and even low credit scores, as long as you meet standard eligibility requirements.

All of our available loan programs can be used to finance new home construction. We also work with homebuyers to finance land if you don't already have a lot to build on.

Learn more about each of our single close construction loans available.

- [**U.S. DEPARTMENT OF AGRICULTURE \(USDA\) SINGLE CLOSE CONSTRUCTION LOANS**](#)

USDA SINGLE CLOSE CONSTRUCTION BENEFITS

- ↙ One loan for construction and home financing
- ↙ Qualifying once reduces funding risk
- ↙ One appraisal and one closing
- ↙ No down payment

- ↙ Fixed interest rates
- ↙ Tailored for properties in rural areas
- ↙ Payments don't need to be made during construction

A USDA single close construction loan, also known as a rural development loan, is available in certain rural and suburban areas. These 30-year fixed-rate mortgage loans don't require a down payment. Buyers can even finance their closing costs, minimizing additional expenses beyond the home's upfront cost.

When you find the perfect property where you want to build your home, it's an important project to take on. Making smart decisions at the start of the process will set you up for success so that you can make your dream a reality.

With a USDA single close construction loan, you can save time and money through a simplified financing process designed specifically to streamline building a new home in a rural area.

Financing a home in a rural area involves unique considerations. If you also want to build a home, there are even more complex factors involved in the overall process, especially to secure financing.

To make it easier for homebuyers to finance homes and increase economic development in rural areas, the United States Department of Agriculture (USDA) provides the USDA single close construction loan.

With a USDA single close construction loan, you can finance the purchase of your lot, the construction of your new home, and the long-term mortgage that will be needed to afford your home once it's built

This streamlines the process, allowing you to close on your home loan once, rather than having to secure two or more separate loans for each stage of the process.

You qualify once and have a single appraisal, loan originator, and closing process. This reduces the time it takes to build and move into your new home, it protects you from unforeseen circumstances down the road and saves you from paying double the closing costs.

The USDA single close construction loan in particular also has a competitive interest rate and no down payment requirement, making it a popular option for rural construction projects.

Home construction is complicated and requires many moving parts. Single close construction loans are made to help simplify the process.

HOW TO GET A USDA SINGLE CLOSE CONSTRUCTION LOAN

If you'd like to see whether you qualify for a USDA single close construction loan, connect with us. To get you started, we've outlined the steps and qualifications needed to help you understand the process.

THE FINANCING PROCESS

By sharing basic information about the home, you want to build, we'll work with you to see if a USDA single close construction loan meets your needs and whether you can get pre-approved for the loan.

Next, we'll begin a more in-depth underwriting process to review your income, credit, ability to repay the loan, and other eligibility requirements. We'll also work with you and your builder to determine what the cost and timeline will be to build your home and finance it.

We're with you through each step, leading to a simple and efficient closing so that you can move forward with building your home.

Once the loan closes, you'll begin construction on your new home within 30 days of the closing date. Your construction team will provide you with regular updates on the progress of your home. We'll manage the construction phase, including ordering draw inspections, any state-required surveys and inspections, and USDA requirements.

LOAN REQUIREMENTS TO MEET

These are some of the standard requirements often needed to qualify for a USDA single close construction loan. If you have questions about these requirements, we're here to help.

- You need to live (or be building a home) in an eligible rural area as designated by the USDA.
- In most cases, it's best to have a credit score of 640 or higher. With higher credit scores often comes better interest rates.
- The USDA and the lender must approve any contractors that will be used.
- Contractors must have appropriate liability insurance, have an active license, and have at least two years of experience constructing family homes.
- An appraisal will need to be done to assess the value of the project.

USDA SINGLE CLOSE CONSTRUCTION FAQs

Financing the build and long-term mortgage of your new home is an important step in beginning this process. It's ok to have questions. We've compiled answers to the frequently asked ones, but don't hesitate to ask more.

Do I need a down payment for a USDA single close construction loan?

Required down payment amounts vary depending on the type of loan you want. With a USDA single close construction loan, we don't require any down payment because the loan has a 100% Loan-to-Value (LTV) ratio.

In comparison, our other single close loan programs offer down payments anywhere from 0-3.5% to a maximum of 5%. This is a small fraction of what other lenders typically ask for with traditional construction loans, which require a down payment of around 20% to get the best loan terms.

What costs are required to close a USDA single close construction loan?

There are closing costs associated with processing any loan, and the costs of a single close construction loan are comparable to standard mortgages. They include costs for the lender to service the loan, as well as an appraisal and other fees.

With a single close loan, you only pay closing costs once and your closing package includes a single promissory note and one deed.

This is a unique benefit that many other financing options for home building don't offer. With other loan types, borrowers often need two or more loans to finance the actual build and their long-term mortgage, meaning they pay closing costs for each of those loans.

How do USDA single close construction loan interest rates compare to other construction loans?

Interest rates for USDA single close construction loans vary based on a variety of factors including your income and finances, credit score, the location where you want to build, and loan amount.

To know what interest rate your situation would qualify for, get in touch with one of our loan advisors for more specific information.

How does my lender get involved with the construction of my new home?

We have an in-house single close construction management team. Using our years of experience and home-building expertise, our experts — with support from the USDA — will review and approve documentation from every stage of construction.

This includes project budget and timeline, planning and specifications, permits and inspection, and building code best practices.

At the start, you'll want to find and engage the builder of your choice as long as they meet the quality standards for the USDA program. Our builder vetting process ensures that all builders accepted into our program have a sterling record of on-time completion for their home projects. Quality, safety, and efficiency are top priorities.

Our team will help keep your project on track every step of the way. This allows potential problems to be dealt with before they can turn into major delays.

Our completely hands-free building process means you never need to worry about applying for building permits or arranging inspections as your construction takes shape. It is all handled for

you. The documentation you might need in the future is centralized all in one place.

What other loan options are there besides a USDA single close construction loan?

A USDA single close construction loan is only one of the many options for those who are interested in building their own home. Some additional options you might want to consider include other specialized construction loans. This includes loan programs for veterans, active-duty military, and spouses through the VA. An FHA loan might work well for building a home that isn't in a rural area like the USDA loan is meant for. Or there are Fannie Mae construction loans designed for people with low-to-moderate-income levels.

We can help you determine what loan program is best for your situation.

- [VETERANS ADMINISTRATION \(VA\) SINGLE CLOSE COSTRUCTION LOANS](#)

VA SINGLE CLOSE CONSTRUCTION BENEFITS

- ↙ Unique benefits for people with ties to the military
- ↙ One loan for construction and home financing
- ↙ Qualifying once reduces funding risk
- ↙ No down payment required
- ↙ Low interest rates
- ↙ Fixed 30-year loan
- ↙ Payments don't need to be made during construction

Available to qualified veterans, active military, and their eligible surviving spouses, a VA single close construction loan equips you to build, buy, repair, retain, or adapt a home. No down payment

is required, closing costs are limited, and you aren't charged a penalty for paying the loan in advance.

As a veteran or active-duty service member, your VA benefits keep it simple. They extend beyond traditional purchase loans with options to finance building and affording the home you've been imagining.

A VA single close construction loan allows you to build your home using the benefits you've earned. Save time and money through a simplified financing process with no down payment needed and a single loan for both the construction and long-term mortgage of your new home.

The Veterans Administration single close construction loan is a popular option for veterans or those with other military involvement. It offers financing that is easy to qualify for and an overall process that makes paying for and building your home simpler to manage.

The U.S. Department of Veterans Affairs (VA) insures VA single close construction loans to make financing more attainable to benefit those who have ties to the military.

Because these loans are government-backed by the VA, interest rates are kept competitively low and borrowers aren't required to make a down payment.

With a VA single close construction loan, you can finance the purchase of your lot, the construction of your new home, and the long-term mortgage that will be needed to afford your home once it's built.

The streamlined process allows you to close on your home loan once rather than having to secure two or more separate loans for each stage of the process.

You qualify once and have a single appraisal, loan originator, and closing process. This reduces the time it takes to build and move into your new home, protects you from unforeseen circumstances down the road, and saves you from paying double or triple closing costs.

Home construction is complicated and requires many moving parts. Single close construction loans are made to help simplify the process.

HOW TO GET A VA SINGLE CLOSE CONSTRUCTION LOAN

If you'd like to see whether you qualify for a VA single close construction loan, connect with us. To get you started, we've outlined the steps and qualifications needed to help you understand the process.

THE FINANCING PROCESS

By sharing basic information about the home, you want to build, we'll work with you to see if a VA single close construction loan meets your needs and whether you can get pre-approved for the loan.

Next, we'll begin a more in-depth underwriting process to review your income, credit, ability to repay the loan, and other eligibility requirements. This will include demonstrating proof that you're eligible for VA benefits, either because you're a veteran, active member of the armed services, or qualifying spouse.

We'll also work with you to ensure your builder is registered through the VA site, as well as to determine what the cost and timeline will be to build your home and finance it.

We're with you through each step, leading to a simple and efficient closing so that you can move forward with building your home.

Once the loan closes, you'll begin construction on your new home within 30 days of the closing date. Your construction team will provide you with regular updates on the progress of your home. We'll manage the construction phase, including ordering draw inspections, any state-required surveys and inspections, and VA requirements.

LOAN REQUIREMENTS TO MEET

These are some of the standard requirements often needed to qualify for a VA single close construction loan. If you have questions about these requirements, we're here to help.

- You need to be an eligible veteran, spouse, or be on active duty with the United States military.
- In most cases, it's best to have a credit score of 640 or higher.
- The Lender must approve the builder.
- Contractors must be registered with the VA.
- An appraisal will need to be done to assess the value of the project.
- All standard guidelines for traditional VA loans will also apply to the single close construction loan.

VA SINGLE CLOSE CONSTRUCTION FAQs

Financing the build and long-term mortgage of your new home is an important step in beginning this process. It's ok to have

questions. We've compiled answers to the frequently asked ones, but don't hesitate to ask more.

How do I know if I'm eligible for a VA single close construction loan?

Like traditional VA loans, VA single close construction loan eligibility is service-based. For eligibility, the VA will consider factors including your service status, years of service, and service record.

You may meet eligibility requirements if you are a current active-duty military service member, military veteran, or the spouse (including surviving spouse) of a service member.

Eligibility is proven through a Certificate of Eligibility (CoE) from the U.S. Department of Veterans Affairs. We can help you apply for a CoE or you can apply for it directly through the VA's benefits portal online or by mail.

How do VA single close construction loan interest rates compare to other construction loans?

Because VA single close construction loans are backed by the U.S. Department of Veterans Affairs, their interest rates are kept competitively low without requiring borrowers to have a down payment and high credit score.

Interest rates for all single close construction loans vary based on a variety of factors including your income and finances, credit score, the location where you want to build, and loan amount. To know what interest rate your situation would qualify for, get in touch with one of our loan advisors for more specific information.

How do VA single close construction loan interest rates compare to other construction loans?

Because VA single close construction loans are backed by the U.S. Department of Veterans Affairs, their interest rates are kept

competitively low without requiring borrowers to have a down payment and high credit score.

Interest rates for all single close construction loans vary based on a variety of factors including your income and finances, credit score, the location where you want to build, and loan amount. To know what interest, rate your situation would qualify for, get in touch with one of our loan advisors for more specific information.

What other loan options are there besides a VA single close construction loan?

A VA single close construction loan is only one of the many options for those who are interested in building their own home. Some additional options you might want to consider include other specialized construction loans. A USDA loan might work well for building a home in a rural area, and it also allows for a 0% down payment.

If you don't have ties to the military, an FHA loan might work well for building a home, or there are Fannie Mae construction loans designed for people with low-to-moderate-income levels. We can help you determine what loan program is best for your situation.

What costs are required to close a VA single close construction loan?

There are closing costs associated with processing any loan, and the costs of a single close construction loan are comparable to standard VA mortgages. They include costs for the lender to service the loan, as well as an appraisal and other fees.

With a single close loan, you only pay closing costs once and your closing package includes a single promissory note and one deed.

This is a unique benefit that many other financing options for home building don't offer. With other loan types, borrowers often

need two or more loans to finance the actual build and their long-term mortgage, meaning they pay closing costs for each of those loans.

How does my lender get involved with the construction of my new home?

We have an in-house single close construction management team. Using our years of experience and home-building expertise, our experts will review and approve documentation from every stage of construction; this includes project budget and timeline, planning and specifications, permits and inspection, and building code best practices.

At the start, you'll want to find and engage the builder of your choice as long as they're registered with the VA. Our builder vetting process ensures that all builders accepted into our program have a sterling record of on-time completion for their home projects. Quality, safety, and efficiency are top priorities. Our team will help keep your project on track every step of the way. This allows potential problems to be dealt with before they can turn into major delays.

Our completely hands-free building process means you never need to worry about applying for draws or arranging inspections as your construction takes shape. It is all handled for you.

- [FEDERAL HOUSING ADMINISTRATION \(FHA\) SINGLE CLOSE COSTRUCTION LOANS](#)

FHA SINGLE CLOSE CONSTRUCTION BENEFITS

- ↙ Popular for constructing single-family homes
- ↙ One loan for construction and home financing
- ↙ Qualifying once reduces funding risk

- ↙ 3.5% minimum down payment
- ↙ Low interest rates
- ↙ Fixed 30-year loan
- ↙ Payments don't need to be made during construction

FHA Single Close Construction loans are designed for low- and moderate-income buyers and are especially popular for those seeking to build a starter home. They require lower down payments and lower credit scores than a conventional loan package.

An FHA single close construction loan puts building a single-family home within your reach, offering low down payment options and simplified financing. Purchase land or build on property you already own with a single loan for both the construction and long-term mortgage of your new home.

The FHA single close construction loan is a popular option for building single-family homes because it offers financing that is easier to qualify for and an overall process that makes paying for and building your home simpler to manage.

The Federal Housing Administration (FHA) insures FHA single close construction loans to improve economic development and make financing more attainable for homebuyers wanting to build homes.

Because these loans are government-backed by the FHA, interest rates are kept competitively low and borrowers can make a minimum down payment of only 3.5%.

With an FHA single close construction loan, you can finance the purchase of your lot, the construction of your new home, and the

long-term mortgage that will be needed to afford your home once it's built.

This streamlines the process, allowing you to close on your home loan once, rather than having to secure two or more separate loans for each stage of the process.

You qualify once and have a single appraisal, loan originator, and closing process. This reduces the time it takes to build and move into your new home, protects you from unforeseen circumstances down the road, and saves you from paying double or triple the closing costs.

Home construction is complicated and requires many moving parts. Single close construction loans are made to help simplify the process.

HOW TO GET AN FHA SINGLE CLOSE CONSTRUCTION LOAN

If you'd like to see whether you qualify for an FHA single close construction loan, connect with us. To get you started, we've outlined the steps and qualifications needed to help you understand the process.

THE FINANCING PROCESS

By sharing basic information about the home, you want to build, we'll work with you to see if an FHA single close construction loan meets your needs and whether you can get pre-approved for the loan.

Next, we'll begin a more in-depth underwriting process to review your income, credit, ability to repay the loan, and other eligibility requirements. This will include demonstrating proof that you

either currently own or will purchase a lot on which your property will be built.

We'll also work with you and your general contractor to determine what the cost and timeline will be to build your home and finance it. We're with you through each step, leading to a simple and efficient closing so that you can move forward with building your home.

Once the loan closes, you'll begin construction on your new home within 30 days of the closing date. Your construction team will provide you with regular updates on the progress of your home. We'll manage the construction phase, including ordering draw inspections, any state-required surveys and inspections, and FHA requirements.

LOAN REQUIREMENTS TO MEET

These are some of the standard requirements often needed to qualify for an FHA single close construction loan. If you have questions about these requirements, we're here to help.

- You need to be purchasing the land you will build on at closing (or currently own the land).
- In most cases, it's best to have a credit score of 640 or higher.
- You need a minimum down payment of 3.5%, as there is a 96.5% minimum Loan-to-Value (LTV) ratio for FHA loans.
- You must have a contract with a licensed general contractor who will build the home.
- An appraisal will need to be done to assess the value of the project.
- The funds from the loan must be placed in an escrow account that will be disbursed to cover construction costs.

FHA SINGLE CLOSE CONSTRUCTION FAQS

Financing the build and long-term mortgage of your new home is an important step to beginning this process. It's ok to have questions. We've compiled answers to the frequently asked ones, but don't hesitate to ask more.

How do FHA single close construction loan interest rates compare to other construction loans?

Because FHA single close construction loans are backed by the FHA, their interest rates are kept competitively low without requiring borrowers to have a high down payment and credit score.

Interest rates for all single close construction loans vary based on a variety of factors including your income and finances, credit score, the location where you want to build, and loan amount. To know what interest rate your situation would qualify for, get in touch with one of our loan advisors for more specific information.

What other loan options are there besides an FHA single close construction loan?

An FHA single close construction loan is only one of the many options for those who are interested in building their own home. Some additional options you might want to consider include other specialized construction loans. This includes loan programs for veterans, active-duty military, and spouses through the VA. A USDA loan might work well for building a home in a rural area. Or there are Fannie Mae construction loans designed for people with low-to-moderate-income levels.

We can help you determine what loan program is best for your situation.

What costs are required to close an FHA single close construction loan?

There are closing costs associated with processing any loan, and the costs of a single close construction loan are comparable to standard mortgages. They include costs for the lender to service the loan, as well as an appraisal and other fees.

With a single close loan, you only pay closing costs once and your closing package includes a single promissory note and one deed.

This is a unique benefit that many other financing options for home building don't offer. With other loan types, borrowers often need two or more loans to finance the actual build and their long-term mortgage, meaning they pay closing costs for each of those loans.

How does the timeline work for financing my new home?

Once your loan closes, your general contractor will begin construction on your new home within 30 days of the loan closing date.

We'll help manage the construction budget and timeline as the home is being built. During this time, the funds from the loan that were placed in an escrow account will be disbursed to cover construction costs.

When the construction project is completed, you'll be given a Certificate of Occupancy, meaning you can now move into your new home. The amortization of your permanent mortgage must begin 60 days after you receive this certificate.

How does my lender get involved with the construction of my new home?

We have an in-house single close construction management team. Using our years of experience and home-building expertise, our experts — with support from the FHA — will

review and approve documentation from every stage of construction.

This includes project budget and timeline, planning and specifications, permits and inspection, and building code best practices.

At the start, you'll want to find and engage a general contractor to build your home. Our builder vetting process ensures that all builders accepted into our program have a sterling record of on-time completion for their home projects. Quality, safety, and efficiency are top priorities.

Our team will help keep your project on track every step of the way. This allows potential problems to be dealt with before they can turn into major delays.

Our completely hands-free building process means you never need to worry about applying for building permits or arranging inspections as your construction takes shape. It is all handled for you. The documentation you might need in the future is centralized all in one place.

- [FANNIE MAE SINGLE CLOSE COSTRUCTION LOANS](#)

FANNIE MAE SINGLE CLOSE CONSTRUCTION BENEFITS

- ↙ Popular for constructing single-family homes
- ↙ One loan for construction and home financing
- ↙ Qualifying once reduces funding risk
- ↙ Down payment options as low as 5%
- ↙ Low interest rates are secured early on
- ↙ Interest rates adjusted during construction if rates drop
- ↙ Finance a wide range of home-building needs

Fannie Mae is a government-sponsored company that guarantees loans, allowing lenders to extend loans to lower-income home buyers with reduced risk. The Fannie Mae Single Close Construction loan program mandates a minimum credit score of 680 for fixed-rate loans applied to single-family homes.

A Fannie Mae single close construction loan puts building a single-family home within your reach, offering down payment options and simplified financing.

Purchase land or build on property you already own with a single loan for both the construction and long-term mortgage of your new home.

The Fannie Mae single close construction loan is a popular option for building new single-family homes. It offers financing that is easier to qualify for and an overall process that makes paying for and building your home simpler to manage.

With a Fannie Mae single close construction loan, you can finance the purchase of your lot, the construction of your new home, and the long-term mortgage that will be needed to afford your home once it's built.

This streamlines the process, allowing you to close on your home loan once, rather than having to secure two or more separate loans for each stage of the process.

You qualify once and have a single appraisal, loan originator, and closing process. This reduces the time it takes to build and move into your new home, protects you from unforeseen circumstances down the road, and saves you from paying double or triple the closing costs.

Fannie Mae single close construction loans are insured by the Federal National Mortgage Association, commonly known as Fannie Mae, which is a government-sponsored enterprise established to provide a reliable source of affordable mortgage financing.

Because these loans are backed by Fannie Mae, interest rates are kept competitively low and borrowers can make a minimum down payment as low as 5%.

Fannie Mae allows borrowers to lock in interest rates prior to closing, while also allowing them to adjust to the lowest interest rate available during the construction process when converting to a long-term mortgage.

Home construction is complicated and requires many moving parts. Single close construction loans are made to help simplify the process.

HOW TO GET A FANNIE MAE SINGLE CLOSE CONSTRUCTION LOAN

If you'd like to see whether you qualify for a Fannie Mae single close construction loan, connect with us. To get you started, we've outlined the steps and qualifications needed to help you understand the process.

THE FINANCING PROCESS

By sharing basic information about the home you want to build, we'll work with you to see if a Fannie Mae single close construction loan meets your needs and whether you can get pre-approved for the loan.

Next, we'll begin a more in-depth underwriting process to review your income, credit, ability to repay the loan, and other eligibility requirements. This will include demonstrating proof that you either currently own or will purchase a lot on which your property will be built.

We'll also work with you and your Fannie Mae-approved builder to determine what the cost and timeline will be to build your home and finance it. We're with you through each step, leading to a simple and efficient closing so that you can move forward with building your home.

Once the loan closes, you'll begin construction on your new home within 30 days of the closing date. Your construction team will provide you with regular updates on the progress of your home. We'll manage the construction phase, including ordering draw inspections, any state-required surveys and inspections, and Fannie Mae requirements.

LOAN REQUIREMENTS TO MEET

These are some of the standard requirements often needed to qualify for a Fannie Mae single close construction loan. If you have questions about these requirements, we're here to help.

- You need to purchase the land you will build on at closing (or currently own the land).
- The home you want to build needs to be an eligible site-built single-family, modular, or manufactured home.
- In most cases, it's best to have a credit score of 680 or higher.
- Fannie Mae and the lender must approve contractors that will be used.

- An appraisal will need to be done to assess the value of the project.
- The transaction from construction to a permanent home and loan may not exceed 12 months.
- You need to use your own funds to make the minimum borrower contribution. Exceptions include having a Loan-To-Value (LTV) or Combined Loan-To-Value (CLTV) ratio of less than or equal to 80%. Or if you purchase a one-unit principal residence, you may be eligible to use gifts, donated grant funds, or funds received from an employer to pay for some or all of your minimum contribution.

FANNIE MAE SINGLE CLOSE CONSTRUCTION FAQs

Financing the build and long-term mortgage of your new home is an important step in beginning this process. It's ok to have questions. We've compiled answers to the frequently asked ones, but don't hesitate to ask more.

How do Fannie Mae single close construction loan interest rates compare to other construction loans?

Because Fannie Mae single close construction loans are insured, their interest rates are kept competitively low. You may also be able to lower your interest rate for your long-term mortgage if rates drop during the construction phase.

Interest rates for all single close construction loans vary based on a variety of factors including your income and finances, credit score, the location where you want to build, and loan amount. To know what interest rate your situation would qualify for, get in touch with one of our loan advisors for more specific information.

What costs are required to close a Fannie Mae single close construction loan?

There are closing costs associated with processing any loan, and the costs of a single close construction loan are comparable to standard mortgages. They include costs for the lender to service the loan, as well as an appraisal and other fees.

With a single close loan, you only pay closing costs once and your closing package includes a single promissory note and one deed.

This is a unique benefit that many other financing options for home building don't offer. With other loan types, borrowers often need two or more loans to finance the actual build and their long-term mortgage, meaning they pay closing costs for each of those loans.

What type of property can I finance with a Fannie Mae single close construction loan?

Fannie Mae single close construction loans apply to a wide range of property types. When you connect with us, we'll discuss whether your property and build type will qualify.

These loans are well suited for newly constructed single-family homes. Whether you're tearing down an old house, building new on a vacant lot, or buying a manufactured home, Fannie Mae loans can help.

If you're purchasing a one-unit primary residence, you may also be eligible to use gifts, donated grant funds, or funds received from an employer to pay for some or all of the borrower minimum contribution that is required to secure a Fannie Mae single close construction loan.

What other loan options are there besides a Fannie Mae single close construction loan?

A Fannie Mae single close construction loan is only one of the many options for those who are interested in building their own home.

Some additional options you might want to consider include other specialized construction loans. This includes loan programs for veterans, active-duty military, and spouses through the VA. A USDA loan might work well for building a home in a rural area. Or there are FHA construction loans that offer low down payment options and competitive interest rates. We can help you determine what loan program is best for your situation.

How does my lender get involved with the construction of my new home?

We have an in-house single close construction management team. Using our years of experience and home-building expertise, our experts — with support from Fannie Mae — will review and approve documentation from every stage of construction.

This includes project budget and timeline, planning and specifications, permits and inspection, and building code best practices.

At the start, you'll want to find and engage a general contractor to build your home. Our builder vetting process ensures that all builders accepted into our program have a sterling record of on-time completion for their home projects. Quality, safety, and efficiency are top priorities.

Our team will help keep your project on track every step of the way. This allows potential problems to be dealt with before they can turn into major delays.

Our completely hands-free building process means you never need to worry about applying for building permits or arranging inspections as your construction takes shape. It is all handled for you. The documentation you might need in the future is centralized all in one place.