

## Construction Only - transaction includes purchase of lot

When the borrower does not own the lot and the transaction includes purchasing land and financing construction, **Lot Purchased Separately** is not marked and **Sales Price** represents the cost to purchase the land. **Construction Costs** is the cost to build the home.

Amounts	
<input type="checkbox"/>	Renovation Loan
<input type="checkbox"/>	Lot Purchased Separately
60,000	Sales Price
220,000	Construction Costs
280,000	As Completed Appraised Value
224,000	Loan Amount

**Purchase Money** and **New Construction** are also marked in Collateral > Real Estate

All Input  
 Focus  
 Loan Information  
 Application Information (1) Add Another  
 Downpayment (None) Add Another  
 Collateral (1) Guaranties (None) Cosigners (None)  
 Real Estate (1) Add Another  
1000 New Home Road Lincoln, NE 68501 Remove  
 Other Collateral (None) Add Another

Purchase Money  
 Address: 1000 New Home Road  
 City ST Zip: County: Lincoln, NE 68501 ; Lancaster  
 New Construction  
 Year Built: \_\_\_\_\_  
 Number of Units: \_\_\_\_\_  
 Lot Purchased Separately  
 As Completed Appraised Value: 280,000

Since the land will be purchased, the Loan Estimate and Closing Disclosure show "Purchase" as the PURPOSE and purchase price of the lot for SALE PRICE.

**SALE PRICE** \$60,000

**LOAN TERM** 1 year  
**PURPOSE** Purchase  
**PRODUCT** 11 mo. Interest Only, Fixed Rate

### Loan Terms

<b>Loan Amount</b>	<b>\$224,000</b>
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In this example, 11 monthly payments of only interest and 1 final payment of principal plus interest are disclosed.

Projected Payments		
Payment Calculation	Year 1	Final Payment
Principal & Interest	\$475.62 <i>only interest</i>	\$224,460.27
Mortgage Insurance	+ 0	+ 0
Estimated Escrow <small>Amount can increase over time</small>	+ 0	+ ---
<b>Estimated Total Monthly Payment</b>	<b>\$475.62</b>	<b>\$224,460.27</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <small>Amount can increase over time</small>	<b>\$110</b> a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>
		<b>In escrow?</b> <b>NO</b>

Adjustable Payment (AP) Table disclosures are required in a construction loan, when there are interest only payments.

In the AR table the amount and range of the first periodic P&I payment that may change can be left blank. However, the timing of the first change is disclosed as the first payment, assuming the drawn balance for the first payment is unlikely to be the same as the balanced used to disclose to calculated the payment under appendix D.

Subsequent Changes is disclosed as the smallest period of adjustments that may occur.

Maximum Payment is disclosed based on the assumption that the maximum interest only payment would be calculated using the maximum principal balance.

### Adjustable Payment (AP) Table

Interest Only Payments?	YES for your first 11 payments
Optional Payments?	NO
Step Payments?	NO
Seasonal Payments?	NO
<b>Monthly Principal and Interest Payments</b>	
First Change/Amount	1st payment
Subsequent Changes	Every month
Maximum Payment	\$951 starting at 1st payment

The standard Calculating Cash to Close table is used, because this is a first lien transaction with a seller.

<b>J. Total Closing Costs</b>	<b>\$2,174</b>
D + I	\$2,174
Lender Credits	

### Calculating Cash to Close

Total Closing Costs (J)	\$2,174
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$56,000
Deposit	\$0
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
<b>Estimated Cash to Close</b>	<b>\$58,174</b>

In this Loan Estimate example, the Down Payment/Funds from Borrower calculation is Sale Price (\$60,000) + Construction Costs (\$220,000) - Loan Amount (\$224,000).

The Closing Disclosure below discloses a change in (D) Total Loan Costs and the addition of a prorate of taxes from the seller to the borrower in section L.

Here the Down Payment/Funds from Borrower calculation is Sale Price of Property (\$60,000) + Construction Holdback (\$220,000) - Loan Amount (\$224,000). Construction Holdback and Construction Costs are separate entries. Construction Holdback is entered in the questions under Summaries of Transaction > Cash From Borrower > Due from Borrower > To Others.

### Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$2,174	\$2,139.30	YES • See Total Loan Costs (D)
Closing Costs Paid Before Closing	\$0	\$0	NO
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$56,000	\$56,000.00	NO
Deposit	\$0	\$0	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	\$0	NO
Adjustments and Other Credits	\$0	-\$622.02	YES • See details in Section L
<b>Cash to Close</b>	<b>\$58,174</b>	<b>\$57,517.28</b>	

### Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
<b>K. Due from Borrower at Closing</b>	<b>\$282,139.30</b>	<b>M. Due to Seller at Closing</b>	<b>\$60,000.00</b>
01 Sale Price of Property	\$60,000.00	01 Sale Price of Property	\$60,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$2,139.30	03	
04 Construction Holdback	\$220,000.00	04	
05		05	