

Construction Only - borrower owns the land

When the borrower owns the land where the home will be constructed, **Purchase Lot Separately** is marked and **Existing Liens** is answered, if applicable. **Estimated Cost of Improvements** is the cost to build the home.

Since the borrower already owns the Real Estate, **Purchase Money** is not answered.

2018	55. Year Built
Yes	56. Purchase Lot Separately
2017	57. Year Lot Acquired
60,000.00	58. Original Cost
35,000.00	59. Existing Liens
25,000.00	60. Equity in Lot
60,000.00	61. Present Lot Value
220,000.00	62. Estimated Cost of Improvements
280,000.00	63. Appraised Value
	64. Manner Title Held
	65. Occupancy Type
	66. Property Type
	67. Purchase Money?

In the example above,

- When **Existing Liens** is answered; the Loan Estimate and Closing Disclosure show "Refinance" as the PURPOSE; otherwise, if there were no liens on the land the PURPOSE would be "Construction".
- PROP. VALUE is the **Appraised Value**.
- The loan will have 11 monthly payments of only interest and 1 final payment of principal plus interest.

PROP. VALUE \$280,000

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

Loan Terms

Loan Amount	\$224,000
-------------	-----------

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

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
Monthly Principal and Interest Payments	
First Change/Amount	1st payment
Subsequent Changes	Every month
Maximum Payment	\$951 starting at 1st payment

When there is no seller the alternative Calculating Cash to Close table may be disclosed.

J. Total Closing Costs	\$2,174
D + I	\$2,174
Lender Credits	

Calculating Cash to Close

Loan Amount	\$224,000
Total Closing Costs (J)	-\$2,174
Estimated Total Payoffs and Payments	-\$255,000
Estimated Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$33,174
Estimated Closing Costs Financed (Paid from your Loan Amount)	\$0

Estimated Total Payoffs and Payments includes Estimate Cost of Improvements in the amount of \$220,000 and the Existing Liens, \$35,000, that will be satisfied as part of the transaction.

Construction Holdback and Estimated Cost of Improvements are separate entries. Construction Holdback is entered on the Fee Worksheet, form 26451, page 4 under Payoffs and Payments as Construction Costs.

The Closing Disclosure reflects a change in (D) Total Loan Costs and the final payoff of the existing lien on the property.

Payoffs and Payments

Use this table to see a summary of your payoffs and payments to others from your loan amount.

TO	AMOUNT
01 Construction Holdback	\$220,000.00
02 Lot Loan Payoff	\$34,658.42
03	
K. TOTAL PAYOFFS AND PAYMENTS	\$254,658.42

Calculating Cash to Close

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

	Loan Estimate	Final	Did this change?
Loan Amount	\$224,000	\$224,000.00	NO
Total Closing Costs (J)	-\$2,174	-\$2,139.30	YES • See Total Loan Costs (D)
Closing Costs Paid Before Closing	\$0	\$0	NO
Total Payoffs and Payments (K)	-\$255,000	-\$254,658.42	YES • See Payoffs and Payments (K)
Cash to Close	\$33,174	\$32,797.72	
	<input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	Closing Costs Financed (Paid from your Loan Amount) \$0