

## Construction Only - transaction includes purchase of lot

When the borrower does not own the lot and the transaction includes both purchase of the land and construction financing, **Purchase Lot Separately** is not marked and **Original Cost** represents the cost to purchase the land. **Estimated Cost of Improvements** is the cost to build the home.

Since the transaction will be used to purchase the real estate, **Purchase Money** can also be answered.

2018	55. Year Built
No	56. Purchase Lot Separately
2018	57. Year Lot Acquired
60,000.00	58. Original Cost
	59. Existing Liens
	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
Yes	67. Purchase Money?

The Loan Estimate and Closing Disclosure will also show "Purchase" as the PURPOSE and the cost to purchase the lot is shown as SALE PRICE

SALE PRICE \$60,000

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

### Loan Terms

Loan Amount	\$224,000
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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 <i>Amount can increase over time</i>	+ 0	+ ---
<b>Estimated Total Monthly Payment</b>	<b>\$475.62</b>	<b>\$224,460.27</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	\$110 a month	<b>This estimate includes</b> <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>
		<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. It is assumed that the drawn balance for the first payment is unlikely to be the same as the balance used to calculate 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**

<b>Interest Only Payments?</b>	YES for your first 11 payments
<b>Optional Payments?</b>	NO
<b>Step Payments?</b>	NO
<b>Seasonal Payments?</b>	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) + Estimated Cost of Improvements (\$220,000) - Loan Amount (\$224,000).

On Closing Disclosure, 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 Estimated Cost of Improvements are separate entries. Construction Holdback is entered on the Fee Worksheet, form 26451, page 3 under Borrower's Transaction, Due from Borrower as Construction Costs.

BORROWER'S TRANSACTION		SELLER'S TRANSACTION
Due From Borrower	Amount	Due to Seller
Sales Price of Property		Sales Price of Property
Sales Price of Personal Property		Sales Price of Personal Property
Closing Costs Paid at Closing	3,120.00	
<b>Construction Holdback</b>	<b>220,000.00</b>	

Due from Borrower

Construction Holdback \$220,000.00

<b>Construction Costs</b>	1. Type
<b>Other</b>	2. Paid To
<b>Construction Holdback</b>	3. Description
	4. UCD Fee Type
<b>220,000.00</b>	5. Amount
	6. Recipient

+ Mortgage Payoff   + Other   + Construction Costs   Remove

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.

<b>Calculating Cash to Close</b>		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>	

<b>Summaries of Transactions</b>		Use this table to see a summary of your transaction.	
<b>BORROWER'S TRANSACTION</b>		<b>SELLER'S TRANSACTION</b>	
<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	