

Construction Permanent - 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 12 monthly payments of only interest, during the construction phase, and 360 monthly P&I payments in the permanent financing.

PROP. VALUE \$280,000

◆ **LOAN TERM** 31 years
PURPOSE Refinance
PRODUCT 1 Year Interest Only, Fixed Rate

• Loan Terms

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

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, since the drawn balance for the first payment is unlikely to be the same as the balance used to calculate the payment under appendix D, the timing of the first change is "1st payment".

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

Maximum Payment is the first payment of principal and interest, counting from the first payment under the construction phase.

Adjustable Payment (AP) Table

Interest Only Payments?	YES for your first 12 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	\$1,202 starting at 13th payment

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

Calculating Cash to Close

Loan Amount	\$224,000
Total Closing Costs (J)	-\$3,900
Estimated Total Payoffs and Payments	-\$255,000
Estimated Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$34,900
Estimated Closing Costs Financed (Paid from your Loan Amount)	\$0

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

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

Construction Holdback and Construction Costs are separate entries. Construction Holdback is entered in the questions under Payoffs and Payments.

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 Holdbacks	\$220,000.00
02 Payoff Lien on Lot	\$34,862.41
K. TOTAL PAYOFFS AND PAYMENTS	\$254,862.41

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)	-\$3,900	-\$3,905.19	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	\$0	NO
Total Payoffs and Payments (K)	-\$255,000	-\$254,862.41	YES • See Payoffs and Payments (K)
Cash to Close	\$34,900	\$34,767.60	
	<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