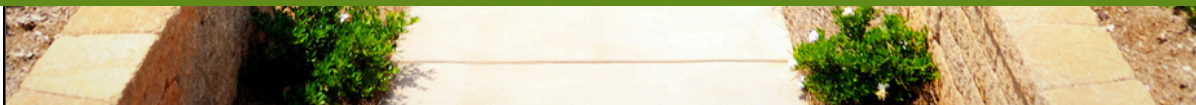




CONSTRUCTION to PERM LOANS





BUILD YOUR FUTURE

READY TO BUILD YOUR DREAM HOME?

If so, let us be your guide. Construction projects and home renovations can be overwhelming, but the financing doesn't have to be. Southwest Georgia Farm Credit understands the needs associated with rural real estate, including non-conforming properties, extra acreage and additional buildings, such as barns.

If your dream is a custom built home outside of the city limits, then Southwest Georgia Farm Credit's Construction-to-Permanent loan may be best for you. Once your home is complete, we can finance your mortgage under the same roof!

WHAT IS A CONSTRUCTION-TO-PERMANENT LOAN?

Construction-to-permanent loans are a financing option that prospective custom home builders can apply for. Like construction-only, construction-to-permanent financing are one-time loans that fund construction and then convert into a permanent mortgage. Customers can lock-in a fixed rate during construction with the ability to lower rate upon completion if market changes (fees may apply). During the construction phase, borrowers make interest-only payments.

Southwest Georgia Farm Credit allows the land you're building on, not just the dwelling, to be used as equity for your down payment. This allows you to maximize the amount you are financing.



OUR CONSTRUCTION FINANCING PACKAGES OFFER:

- Construction financing on homes.
- Up to 95% loan-to-value over a 12-month construction period.
- 12-month interest-only construction periods with timely disbursements and inspections.
- One-time close, up to 30 years with no additional costs or fees.
- Lock-in fixed rate during construction with a modification to permanent financing with a rate tied to the market.

RESOURCES TO HELP EASE YOUR BUILD



CHOOSE YOUR OWN BUILDER

Choosing a contractor is your decision, so we'll work with your choice.

TAKE UP TO ONE YEAR TO COMPLETE YOUR PROJECT

Many lenders require you to finish building within a six-month window. At Southwest Georgia Farm Credit you can take a full year to complete your project—allowing time for weather and scheduling delays.

THE C2P TIMELINE?

The C2P timeline is longer than a normal home mortgage loan. This is because we have to verify and approve not only your information but your builder's contract as well as review the construction plans and specifications. The time it takes to build your home will also vary based on a variety of factors including size of the home, builder availability, and market factors that might affect supply and demand.



YOUR QUESTIONS ANSWERED

CAN I BUILD MY OWN HOUSE?

Self builds/owner general contractors are not allowed. All builds must be through a certified contractor. All draws will be issued directly to the contractor rather than you as an individual.

WHAT CAN I INCLUDE IN MY CONSTRUCTION LOAN?

Almost anything the builder says they will build. Examples include pool, shops, wells, septic tanks, barns, etc.

DOES MY BUILDER HAVE TO BE APPROVED BEFOREHAND?

Builders do have to be approved. However, Southwest Georgia Farm Credit has a fast and easy process to get your builder approved. Our Residential and Lifestyle Lenders will work with you and your builder to get this done.

CAN I FINANCE CONSTRUCTION OF A BARNDOMINIUM OR A LOG HOME?

Barndominiums and log homes are some of our most popular builds. Ask your Residential and Lifestyle Lender for more information!

WHAT IS THE MAXIMUM AMOUNT I CAN BORROW?

You can borrow up to \$766,550 in our C2P program with up to 95% loan-to-value over a 12-month construction period.

WHAT ARE MY PERMANENT MORTGAGE OPTIONS?

For our conventional C2P, we offer 15 or 30 year terms. If interest rates drop during construction, you can lower your rate at modification (fees may apply).

WHAT IF I'M SELF-EMPLOYED?

Additional financials will be needed for self-employed borrowers. This includes: Copies of last two years' personal tax returns (with all schedules signed and dated), copies of last two years corporate or partnership tax returns (with all schedules signed and dated, including K1's), year to date current profit and loss statement (signed and dated).

WHAT IF MY CONSTRUCTION LOAN TAKES LONGER THAN 12 MONTHS?

Your loan can be extended if it takes longer than 12 months to complete construction with a maximum construction time of 18 months. Extension fees will be applied based on which C2P program you are using.

WHAT MAY I BE RESPONSIBLE FOR OUT OF POCKET?

- Down payment
- Origination/lender charges
- Preferred attorney fees including title work
- Appraisal fee (this will be collected when your appraisal is ordered by a third party.)
- Homeowners insurance / builders risk insurance
- Flood Insurance (if applicable)
- Recording Fees
- Any property taxes due paid in full prior to modification
- Overage construction costs (if you exceed the cost of your build, you will have to provide proof of payment made in full to your builder prior to modification)

WHEN DO MY PAYMENTS START? DO I PAY ANYTHING DURING CONSTRUCTION?

Interest payments will start as early as 1 month after closing. As the builder takes more draws, your interest payment will increase. If we refinanced your land loan into your C2P loan, you will no longer have that separate payment since it will be included in your construction payment. Principal and Interest payments will begin once construction is completed.



HOME FINANCING MADE EASY



APPLICATION CHECKLIST

FINANCIAL INFORMATION

- Completed loan application
- Photo identification
- 2 years of tax returns and W-2s or current pay stubs to cover one month period

If Self-Employed

- 2 years of tax returns as well as 3 years of tax returns for all partnerships, LLCs and/or corporations
- 2 years of Schedule K-1s
- Bank account statements, 401K statements and/or verification of significant assets

CONSTRUCTION PROJECT INFORMATION

- Copy of deed or survey of land
- Building plans and details on finishing
- Material or spec list
- Construction contract with builder
- Draw schedule
- Building permit with Southwest Georgia Farm Credit listed as Mechanics Lien Agent (MLA) on permit*
- Builder's Risk Insurance Policy*

THE EXPERTS

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