



# CONSTRUCTION

## 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.

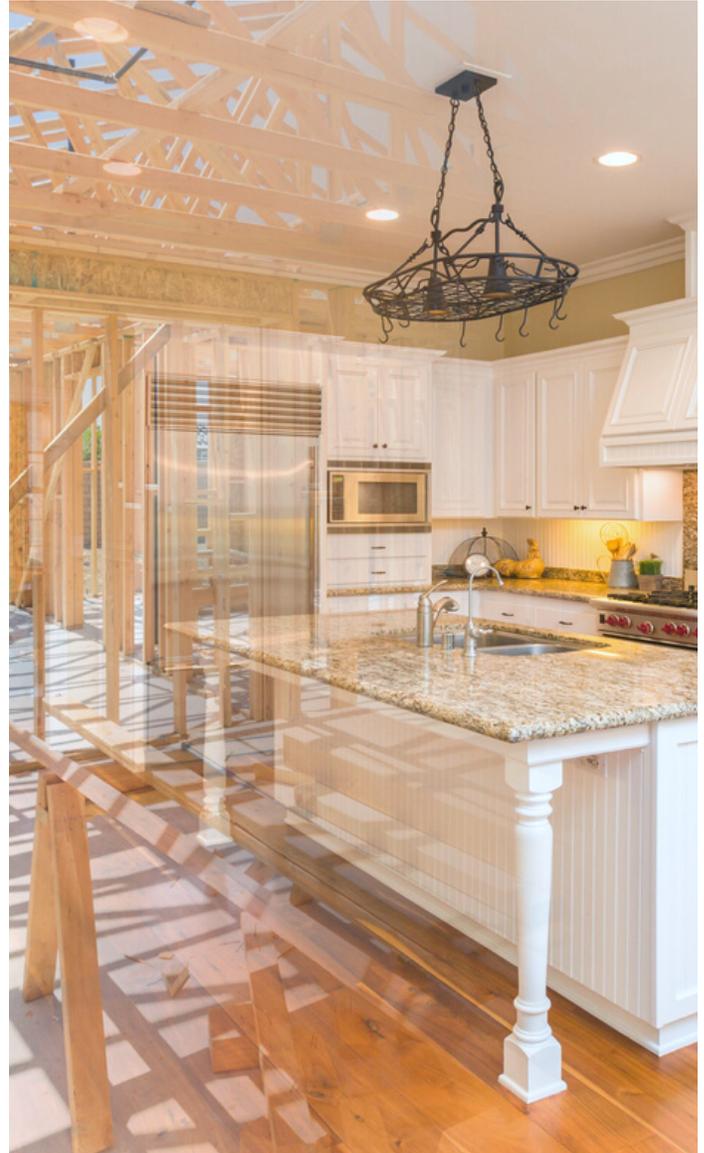
We offer construction financing for homes and barndominiums with outbuildings.

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. During the construction phase, borrowers make interest-only payments with a fixed-rate interest option.

Refinancing is not needed once construction is complete. 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 and barndominiums with outbuildings.
- 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, fixed rate loans, up to 30 years with no additional costs or fees.
- Favorable fixed, long-term interest rates.
- Financing for unique properties with an unconventional heat and water source or outbuildings.
- One loan for construction and land, meaning one interest rate and one closing, saving thousands in settlement fees.



### **LOCK IN YOUR LOAN WITH FIXED-RATE FINANCING**

During the construction process, you have the option of locking in your loan with variable to adjustable or fixed-rate financing.\*

### **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.

### **WE FINANCE POST-FRAME HOMES**

Many lenders may charge a higher rate or require a larger down payment or shortened terms for you to build your post-frame home. At Southwest Georgia Farm Credit, most post-frame home construction will be financed in the same way as a conventional-style home.



# 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 Loan Officers will work with you and your builder to get this done.

## **WHAT IS THE MAXIMUM AMOUNT I CAN BORROW?**

You can borrow up to \$647,200 in our C2P program with up to 95% loan-to-value over a 12-month construction period.

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

Barndominiums and log homes are some of our most popular builds. We finance the barndominium homes under the same guidelines of a traditional stick built home.

## **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 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 MY CONSTRUCTION LOAN TAKES LONGER THAN 12 MONTHS?**

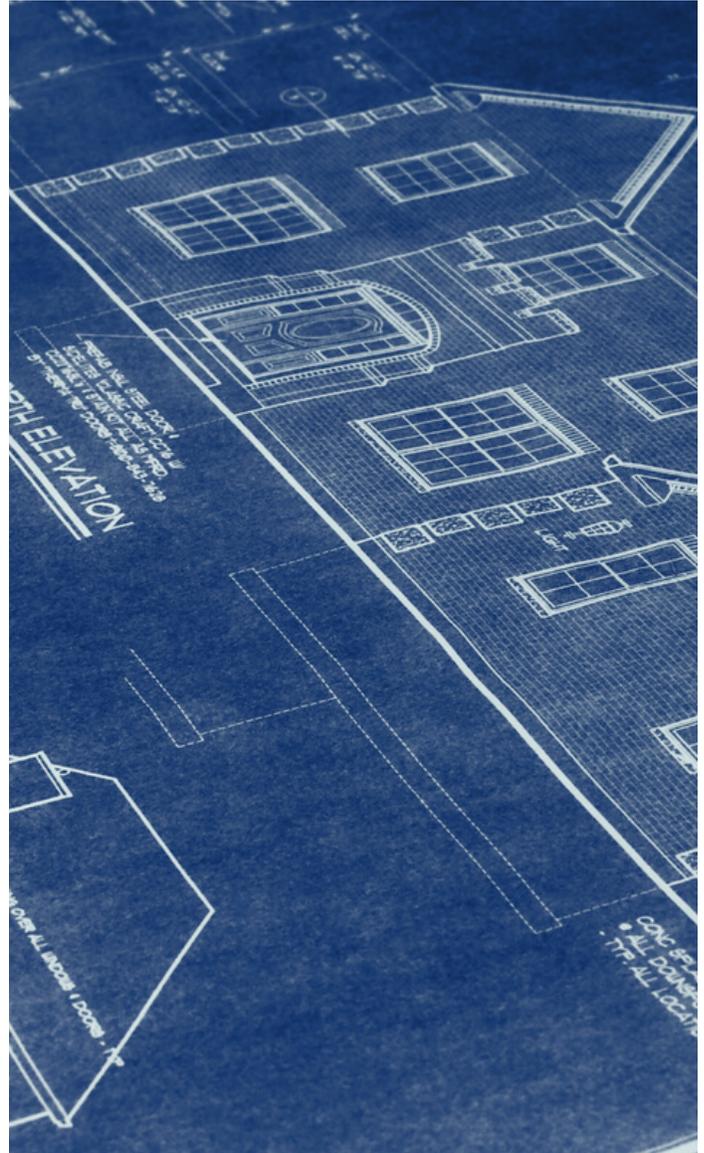
Your loan can be extended if it takes longer than 12 months to complete construction with a maximum construction time of 18 months. Extension fees will be applied based on which C2P program you are using.

## WHAT MAY I BE RESPONSIBLE FOR OUT OF POCKET?

- Down payment (if you don't own the land)
- 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 Farm Credit of the VA's listed as Mechanics Lien Agent (MLA) on permit\*
- Builder's Risk Insurance Policy\*

## THE EXPERTS



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APPLY ONLINE

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