



**BORROWER OVERVIEW**

**SINGLE CLOSE  
CONSTRUCTION  
LOAN**

## What is a Single Close Construction Loan?

Unlike a traditional new home or standalone construction that consists of two loan, a Single Close Construction to Permanent loan is a home mortgage that can be used to close both the construction loan and permanent financing of a new home at the same time.

The complex nature of new home construction means there are plenty of moving parts. Each time a customer needs a new financing package, they have to re-qualify. They may also need to get the property appraised multiple times throughout the process.

With a Single Close Construction loan, the process is streamlined: A single mortgage loan originator, a single loan, and a single closing process. This saves money, helps reduce the time to move into your house, and protects you against unforeseen circumstances down the road.

GO Mortgage has not only simplified things but has an in-house construction management team. Using our years of experience and home-building expertise, our in-house construction experts review and approve documentation from every stage of construction.



### Including:

- Project budget and timeline
- Planning and specifications
- Permits and inspection
- Building code best practices

## Benefits of a Single Close Construction Loan

### 1. You Only Need to Qualify Once

Time and again, homebuyers point to loan qualification as the most stressful part of getting a new home – so why do it twice? With a Single Close Construction loan, you qualify at the beginning of construction.

Single Close Construction loan ensures that the loan terms you agreed to cannot expire and the loan documentation you receive will always be up to date. That means peace of mind when making the big decisions.

### 2. Single Close Reduces Risk for Borrowers

Having to qualify up to three times in home construction is a major risk to a homebuyer. If you have a bad investment, a change of career, or other temporary cash flow problems, you could end up losing your home and all you've invested in it – even if your overall financial picture is sound.

With one time close construction loans, there is no risk. Once you have qualified at the start of the process, you are in it for the long haul – just like your new home. You will never be at risk of foreclosure due to transient changes in your financial situation.

### 3. You Benefit from Fixed Interest Rates

Many 30-year home loans have variable interest rates that can catch you by surprise as they “balloon” over time. Our one time close construction loan products offer predictable fixed rates.

Fixed rates persist throughout the construction loan and the permanent construction loan, so there are no surprises. Many of our clients qualify for favorable rates that make their lives easier.

### 4. You Only Pay for One Closing Day

Multiple loans mean multiple closings, each of which can cost thousands. The standard cost of closing is 3%-5%. GO Mortgage streamlines closing, which can save you lots of money. You may be able to finance less or save more for the purchases you want for your new home.

### 5. You Get Single Appraisal Valuation

For both new and existing homes, appraisal valuation is a serious stumbling block. If appraised value of the home is lower than expected, it can endanger your financing package. Not so with Single Close Construction loans: One appraisal prior to loan closing and you're all set.

## Benefits of a Single Close Construction Loan - Continued

### 6. You Can Buy a Second Home

Many loan programs have strict prohibitions on buying a second home or a home not intended as a primary place of residence. GO Mortgage can offer a number of programs for these situations, all with the same single close convenience.

### 7. You Can Choose Your Build

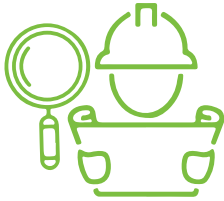
Most mortgage programs are only for conventional construction. With us, you have the option of a modular, manufactured, or stick built home. You can build your dream home on your land no matter what form it takes – and we can help you get there.



## What is the Process For of a Single Close Construction Loan?

GO Mortgage has developed a unique one time close construction loan process by bringing all of the needed expertise “in house.” As a direct seller and servicer to Fannie Mae, a Freddie Mac Direct Lender, and a Ginnie Mae issuer, we have access to nearly every mortgage product.

You can get your one time close construction loan as a jumbo loan, conventional loan or as well as any number of popular government-backed loan programs including FHA, VA, and USDA.



### 1. Builder Review

Find the right builder and have them work directly with GO Mortgage.



### 2. Contract Preparation

GO Mortgage will work with you to determine if the home you selected is within your budget and with your builder to determine the cost to build your home and finance it.



### 3. Contract Signed

Once a purchase price is determined you and your builder will provide a signed contract to GO Mortgage and the loan approval process will begin.



### 4. Project Review And Underwrite The Loan

Your loan will be submitted for a construction project review and to our underwriting department to approve the permanent portion of the loan.



### 5. Loan Closes

Once the paperwork is signed and your loan has closed the construction of your new home can begin!



### 6. Construction Begins

GO Mortgage will manage the construction phase from ordering draw inspections and any state required surveys and inspections.

## Frequently Asked Questions

### 1. Do You Need a Down Payment for a Single Close Construction Loan?

Whether you need a down payment for your loan depends on the specific loan program you decide to use. In a conventional home loan, most buyers need a down payment around 20% to access the most favorable loan terms. In some cases, this amount can be financed.

Our programs offer down payments anywhere from 0% to 5%, a small fraction of what other lenders typically ask for.

### 2. Do You Need a Minimum Credit Score for a Single Close Construction Loan?

Credit is just one factor used to decide how much you can finance with your one time close construction loan. A credit score of 700 or above is considered low risk, while a score of 800 to 850 is exceptional – but even very affluent people do not always have a score this high.

We will examine your entire financial outlook and work with you to find a loan solution that meets your needs. Current income and investments are weighted heavily.

### 3. Do I Pay Anything During the Process?

Depending on your loan program, you will be subject to interest – only payments during construction or no payments until construction is complete.

### 4. How Much Are Closing Costs?

Closing costs may vary depending on your situation and your total loan amount.

### 5. How Long Does It Take to Build a House?

Ideally, new home construction is completed within about 12 months. Every step is taken by our in-house construction management team to complete the process in a timely manner. However, ultimate performance is up to the builder and unforeseen circumstances can happen. The type of home, its size, and the builder's schedule all influence project length.

## Frequently Asked Questions - Continued

### 7. Can I Do Any Construction Work Myself?

No. Your builder must complete all the work.

### 8. Can I Use a Loan for an Investment Property?

No. Investment properties and "spec" homes are not eligible.

### 9. Can I Still Get a Loan If I Don't Own Land?

Yes. Your land purchase can be rolled into your transaction – and covered in your single closing.

### 10. Can My Land Be a Gift?

Yes. You must own the land for at least six months (in most cases) to use its appraised value.

### 11. Can I Tear Down an Existing Home and Replace It With a New One?

Tear downs and rebuilds are available for some loan types, but not others. To get accurate information for your specific loan type, talk to your loan officer about your needs.





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<https://www.singleclosing.com/roberts-corner/resources>

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# **SINGLE CLOSE CONSTRUCTION LOAN**

## Why Work with GO Mortgage?

When it comes to new home construction, financing is the most important thing on a customer's mind. Partnering with a trusted mortgage professional like GO Mortgage simplifies your business and makes selling easier. You no longer need to worry about losing otherwise-qualified leads – with an in-house financing solution, there is someone to guide your customers every step of the way.

Plus, more leads will be drawn to a “one-stop-shop” approach. You can differentiate your brand as a true concierge service, even if you're in a crowded and competitive housing market.

GO Mortgage is an experienced team of mortgage professionals with deep insight into housing and new construction. Our process is faster and more efficient than any other company on the market. We manage every aspect of construction administration and project approval in-house. From beginning to end, it's all handled by qualified professionals – no parts of the process are outsourced.

Day one you will have a sale! GO Mortgage ensures that the day you send us a customer, you will know that day if you have a sale. We help you put more buyers into more homes.



## The Benefits of a Single Close Construction

Our customers benefit from a true single close transaction with no re-qualification after completion. We use feedback from our customers and builders like you to make our processes the best in the business.

### **1. Permanent Financing Guaranteed Up-Front for Borrowers**

Our customers only need to qualify once, alleviating the worry of losing financing due to temporary changes in the financial outlook, like a change of career or investment turbulence. It is truly "one and done."

### **2. 0-5% Down Payment with Financing Options Available**

Our low down payment opens the door for more customers to build the home of their dreams. Financing means many customers do not need to worry about down payment out of pocket. We have several options that require no down payment!

### **3. Available for Manufactured, Modular, or Stick-Built Homes**

Our loan products are available to cover a full spectrum of conventional home types. No matter if your customer wants a manufactured, modular, or stick-built home, our team has the financing solutions they need for the closing experience they want.

### **4. Turn Pre-Sales into Closed Sales, Not Missed Opportunities**

It's far from unusual for builders to find a pre-sale turning into a project on spec. With our Single Close Construction loan, this simply cannot happen. Add more certainty to your business and plan for the future with the confidence and stability of just one close per project.

### **5. Free Up Your Bank Construction Lines for Other Home Builds**

We know that financing is a concern for builders, not just for buyers. You can get the most from your bank construction lines with GO Mortgage. Your enterprise financing never gets tied up in projects due to unexpected and unforeseeable changes.

### **6. Reduced Costs and Fees to Attract More Buyers**

We have lowered costs and removed fees throughout the single close loan process. We work hard to offer an outstanding deal, so more buyers commit to their construction.

## Our Products

### FNMA Construction Loans

- Primary Residence, 95% LTV
- Second Home, 90% LTV
- Interest-Only Payments During Construction
- 680 Minimum Credit Score

### VA Construction Loans

- 100% LTV
- Owner Occupied (1 unit)
- No Payments Until Build is Complete
- 660 Minimum Credit Score

### FHA Construction Loans

- 96.5% LTV
- Owner Occupied
- No Payments Until Build is Complete
- 660 Minimum Credit Score

### USDA Construction Loans

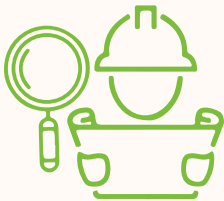
- 100% LTV
- Owner Occupied (1 unit)
- No Payments Until Build is Complete
- 660 Minimum Credit Score

\*Maximum loan amount is subject to LTV and FICO score restrictions



# WHAT IS THE PROCESS FOR A SINGLE CLOSE CONSTRUCTION LOAN?

Accuracy, speed, and communication are the highlights of the GO Mortgage process. Our team realizes the importance of a clear process where everyone in the project knows where they stand. Our expertise ensures error-free work and minimizes delays. Builders and borrowers are always welcome to contact us directly with any questions – from start to finish.



## 1. Builder Review

GO Mortgage will initially review each builder, ensuring experience and reputation in their community.



## 2. Contract Preparation

After prequalifying your buyer, your GO Mortgage originator will work with you on figures for the contract. Our cost calculator simplifies this process, accurately accounting for costs, interest, and construction time.



## 3. Contract Signed

Once the contract is signed, we begin the loan approval process.



## 4. Project Review And Underwrite The Loan

At GO Mortgage, we simultaneously underwrite the credit and income portion of the buyer's loan application along with the construction project review. This streamlines the process for a faster and smoother transaction.



## 5. Loan Closes

At closing, we will pay off the land in full and provide initial disbursement of funds to the builder to begin construction.



## 6. Construction Begins

Our in-house construction administration team will work with you through the draw process, always ensuring fast responses and clear communication, handling any needed inspections or state required surveys quickly.

## Builder Qualifications

GO Mortgage partners exclusively with experienced, reputable home builders. Our application process ensures that we can add the most value and support buyers with a wide range of financing options at favorable terms. Our team evaluates each builder based on a number of criteria including:

### 1. Proper Licensing Based on Product Type and Jurisdiction

We accept only licensed builders who diligently follow all regulations of their jurisdiction. We require proof of licensing and may ask for additional documentation based on product type.

### 2. General Liability Insurance

Your general liability insurance must provide coverage of at least \$1 million per occurrence. We also require workman's comp or a letter explaining why workman's comp is not required in your case.

### 3. Experience in Residential Construction

We know that experience is the key to consistency. We work only with companies that have a minimum of three years of experience in residential construction. Experience must be recent.

### 4. VA Registration for VA Loans

To work on VA home construction projects, builders must be registered with the Veterans Administration. Partners must maintain their registration if VA requirements change in the future.

### 5. Acceptable Credit History

Just as with home buyers, credit history is important, but it isn't everything. We will examine your credit records and discuss any concerns. Financial statements are never needed to be approved. Partners must maintain adequate credit to remain in our program.

### 6. Proven Track Record of Performance

We request references to demonstrate your firm has a proven track record of excellence. We may also look at other sources of reviews, testimonials, and information to make our decision.

## Lender Qualifications

### 1. Fixed Turn-Key Contracts Only

We support fixed turn-key contracts only to accelerate lending processes and prevent errors. Not sure if your projects qualify? We can work with you to ensure standardization if you're accepted.

### 2. No Conflicts of Interest in Financing

We do not allow financing for the builder or employees of the builder. This prevents conflicts of interest that could adversely affect our ability to issue loans in federally backed loan programs.

### 3. Homes Must Meet Eligibility Requirements

Most standard construction, modular, manufactured, and stick-built homes are eligible. We cannot extend mortgage financing for log homes, bamboo homes, or metal homes at this time.

### 4. Borrowers Must Meet Eligibility Requirements

Borrowers must meet all of the requirements of their home loan program and loan amount. We do not allow borrower self-help or "sweat equity" – that is, borrowers cannot perform work on the home. All work must be provided by qualified professionals.

### 5. Builder Must Serve as General Contractor

You must serve as the construction coordinator (general contractor) for the home and all improvements. That includes all site work to be completed as part of the home building project.

### 6. Upgrades Not Permitted After Closing

Upgrades are not allowed after loan closing – no exceptions. If borrowers request upgrades, they will be required to pay the extra costs out of pocket. This is to preserve the effectiveness of our one time close construction loan process.





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<https://www.singleclosing.com/roberts-corner/resources>

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