



YOUR GUIDE TO RENOVATION LOANS

Renovation Loans are used to purchase or refinance a home in need of repairs. The cost of the repairs is bundled into the mortgage, making it simpler and easier to pay for needed home rehabilitation.

WHAT TYPES OF HOMES MAY BENEFIT FROM RENOVATION LOANS?

Distressed Properties

Those that were in foreclosure or short sales that may have been neglected and in need of repairs.

Fixer Uppers

Homes that are in need of more than just a few minor fixes. These homes may need big renovations or structural repairs such as a new roof, etc.

Older Homes

Homes that have been around a while and need some updating are good candidates for renovation loans. Owners of older homes can use these loans to make the home more livable by adding more space, replacing outdated carpeting, installing energy efficient doors and windows etc.

Homes for Disabled/Elderly Owners

If you want to install a wheelchair ramp, grab bars, lower counter tops or a wheelchair accessible shower, a renovation loan could be a good option. This could be used on a new home in need of these features, or it could be used on a home you already own through a refinance renovation loan.

POPULAR RENOVATION LOAN PROGRAMS

FHA STANDARD 203(k) REHABILITATION LOAN

For homes in need of repairs more than \$5,000

FHA LIMITED 203(k) REHABILITATION LOAN

For homes in need of repairs totaling up to \$35,000

FHA REPAIR ESCROW 203(b)

For purchasing a home directly from HUD that needs cosmetic repairs not exceeding \$10,000

FHA, VA AND, USDA ONE-TIME CLOSE (OTC)

A loan used to finance the construction, lot purchase and permanent loan for new manufactured, stick-built, and modular homes

FANNIE MAE HOMESTYLE® RENOVATION LOAN

A conventional renovation mortgage option with competitive interest rates

VA RENOVATION

The benefits of VA with freedom to include minor and cosmetic repairs

WHAT TYPES OF IMPROVEMENTS ARE ALLOWED?

Allowable improvements vary by program, but most renovation loans will allow the following improvements:

- Upgrades/Remodels
- Central heat/air
- Plumbing
- Electrical systems
- Flooring
- Bathroom remodel
- Kitchen remodel
- Home office remodel

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