

RENOVATION LOANS

☐ **Norcom Mortgage**

- ✓ *Private/LOCAL/Direct Lender (32 yrs.)*
- ✓ **PURCHASE LENDER**
- ✓ **All Decisions**
- ✓ **In-house Funding**
- ✓ **In-house Reno Funding/Draw**
- ✓ **Servicing 2.3 Billion**
- ✓ **TOP 20 NATIONALLY RANKED RENO**



Most are now recognizing these terms and products!

REHAB LOAN?

RENOVATION LOAN?

203k?

VA REHAB

Homestyle?

USDA Renovation

- ✓ **“Normal” Mortgages**
- ✓ **“Normal” Interest Rates**
- ✓ **ALL buyers**
- ✓ **ALL Properties**
- ✓ **Renovation Loan for every buyer**
 - **FHA, Conventional, VA, USDA**
- ✓ **Adding VALUE, Providing SOLUTIONS**
- ✓ **The Market**



~~LACK OF~~
Creating
INVENTORY



The Weather
 Today—Increasing clouds, scattered
 showers...
 Tomorrow—Low 60, High 82.
 Tuesday—Low 60, High—Cloudy.
 Wednesday—High 60 at
 4:30 p. m.; low, 50 at 5:30 p. m.
 Weather Map and Details on Page B2.

The Washington Post
 Times Herald

Backyard Bakeout
 Instead of making the backyard trails,
 tempt your family to be Laker this
 day at home. The key: a backyard
 bakeout. Backyard bakeout with
 the emphasis on "bake" isn't big, but
 take your pick from many recipes—B2.

66th Year -- No. 267 Phone RE. 7-1234 THURSDAY AUGUST 29, 1963 WTONY (5) Code (126) TEN CENTS

50% of National Housing Stock Built In The 70's!

**Pinball
 Wizard &
 a Miracle
 Cure!**

**President Signs
 New Legislation
 For Arbitration**

By Frank C. Foster
 Staff Writer

The House of Represent-
 atives yesterday passed
 the Century's third Nation-
 wide railroad strike law
 less than eight hours before
 the vote.

The measure would set
 the two major issues in the
 1962-63 strike aside.
 The Senate would vote on the
 day before.

Passage came at 4:52 p. m.
 in a 300-108 standing vote
 after more than four hours of
 debate.

Signed by President
 President Kennedy signed
 the measure into law at 8:14



**Largest Demonstration
 On Civil Rights Urges
 Passage of Legislation**

By Robert E. Miller
 Staff Writer

More than 20,000 persons joined the 31st anniversary in the largest civil rights demonstration in the Nation's history.

This was the "March on Washington for Jobs and Freedom," a one-day rally demanding a breakthrough in civil rights for Negroes.

The demonstration came by special buses and trains in packed order. They sang and gathered at the Lincoln Memorial to hear their leaders call on Congress to pass civil rights legislation.

In a remarkable display of fervor, they ended the day by pledging to return to their homes and keep up the battle for full equality by mass demonstration, if necessary.

A. Philip Randolph, director of the March and head of the Brotherhood of Sleeping Car Porters, drew great attention in his remarks at the Memorial when he said there was only one hope of accomplishing this: to pass legislation for all.

The top leaders, representing top Negro civil rights organizations, organized labor and religious associations, urged the passage of the March bill.

The march, the efforts and the people of the March—in stories and pictures on Pages A15 through A27, Page B14 and B15.

**LET'S EXPAND BUYERS'
 HOMEBUYING OPTIONS!**

Are renovation loans the answer to the housing shortage?

by Heather Turner



Most Real Estate
The Many Ways to...
Obligations
While it is true that a

FHA 203k Loan Option for a Tough Buyer's Market

BY BRIAN VOLINE

Share 13 Google+ 3 Tweet 0 LinkedIn 1 Print 0

Subscribe to our [RSS feed](#) to get the latest realty news. You can get our headlines via [email](#) as well, or [follow us on Twitter](#).

Here's an actual real estate headline from this week: "Condemned California home with holes in roof, mildew, sells for \$1.23 million". That's a big chunk of change for a condemned home. But in a San Francisco suburb, it does dramatize what is going on in some markets and that "fixers" can have real value. This one is planned to be replaced with a 4,000 square-foot "masterpiece" offering a view of the bay from a second story.

YAHOO! FINANCE Search for news, symbols or companies

Finance Home Watchlists My Portfolio Screeners Markets Industries Videos Reporters Personal Finance Tech

Renovation Loans Expand Your Homebuying Options

Renovation Loans
nerdwallet December 16, 2018

It's the lament of first-time homebuyers in just about every housing market: There aren't enough entry-level homes available that are move-in ready.

One solution is to broaden the search to fixer-uppers. With a renovation mortgage, you can get one home loan that combines the purchase price with the cost of improvements.

One solution is to broaden the search to fixer-uppers. With a renovation mortgage, you can get one home loan that combines the purchase price with the cost of improvements.

Not enough affordable homes

f g+ /mobile.yahoo.com/

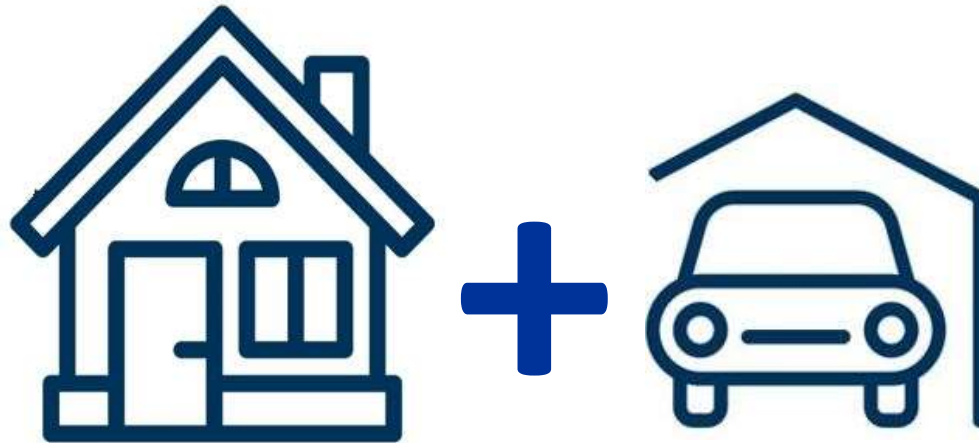
IN OTHER NEWS...

- Real Estate Mobile Marketing Just Got Better with These Apps
- Tax Season - Hiring a CPA
- To Really Find the Most Affordable 2nd Home Getaways
- How to Remodel the Florida Vacation Home of Your Dreams
- Airbnb blocks crackdown law in New York City

FTHB 33%



Norcom
Mortgage



Purchase & Renovate All-In-One!

***One application, One approval process, One closing,
One payment, **ONE LENDER.*****

The Purchase Market The Opportunity

- › **NOT just rehab houses**
- › **NOT just repairs**
- › **NOT just 203k**
- › **NOT “Your Father’s Renovation Mortgage”**

Times have
CHANGED!



RENOVATION MORTGAGE DEFINED

re-nə- 'vā-shən Mor-gaj *noun*

- Financing for both the purchase price of the house *and* the cost for repairs/upgrades...as one
- Renovations may be required or ***optional***.
- The renovation & loan amount are based on the “**after-completed value**” of the property
- Buyers increase number of homes available...Sellers can market “homes-in-need” to perfect group of buyers
- FHA 203k, Conventional Renovation, USDA Renovation, VA Rehab – **Renovation Mortgage for EVERY buyer**

➤ **One application, One approval process, One loan closing, One payment, **ONE LENDER with Norcom****

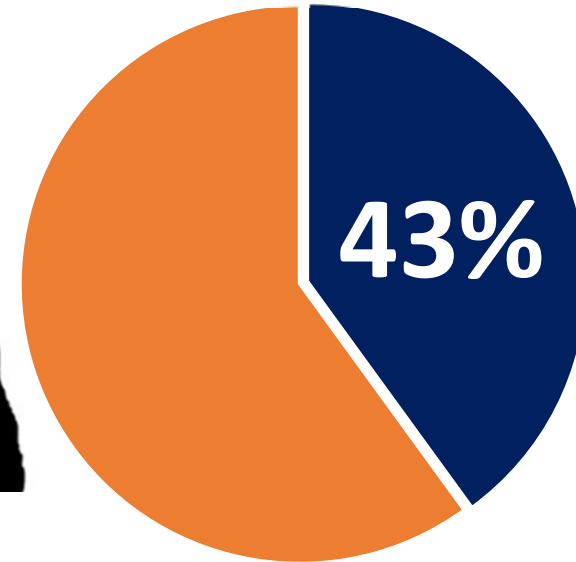


Thanks HGTV!!



HGTV





1981-2001 MILLENNIAL

**“Currently America’s largest group of homebuyers”
– NAR 2018**

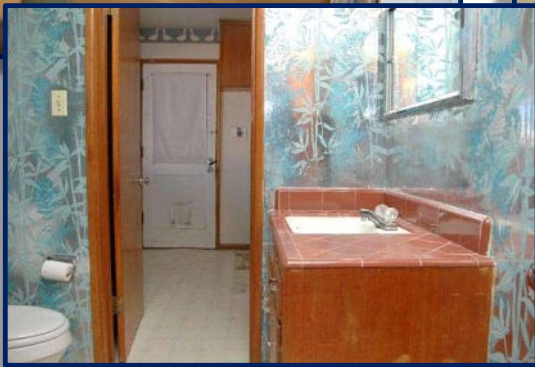


They do their research... Know your options!





DATED
PROPERTIES



HOW RENOVATION LOANS WORK



- From minor cosmetic repairs/upgrades to a complete tear-down/rebuild
- All work is completed *after* closing by a buyer-selected contractor
- **Seller doesn't make ANY repairs prior to close**
- **LESS COMPETITION FOR THESE PROPERTIES!**



“It’s back to shopping by location...live where you want and still get what you want!”

“You buy the house as-is and include the upgrade right in your loan”

“You get to choose what YOU want in your new home.. even new appliances”

“Would you consider this house if you could simply *roll that into the mortgage?*”

FOR EXAMPLE



FHA 203K

$\$150,000 + \$50,000 = \underline{\$200,000}$ acquisition

3.5% Down-payment = \$7000

\$193,000 FHA Base Loan Amount

30yr fixed

RENOVATION MORTGAGE TYPES

FHA/USDA

203k/USDA Renovation Loans

Limited

Standard

CHFA

VA 100%

Fannie Mae/Freddie Mac

HomeStyle
ChoiceReno

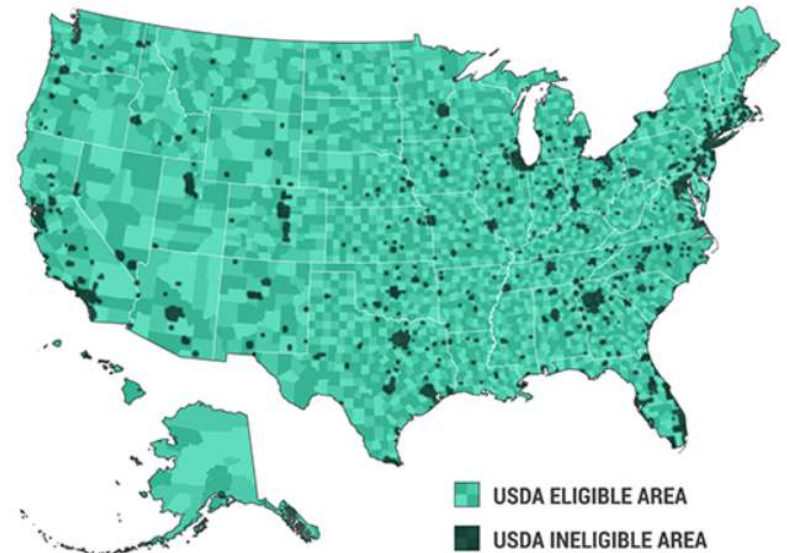
Limited

Standard

“Limited” version may provide “up-front” funds to contractor at closing!

USDA Renovation

Loan Type	PMI Features	Mortgage Insurance Rate	Estimated Costs
USDA	Borrowers pay annual fee for the life of the loan.	1% Upfront Funding Fee 0.35% Annual Fee	\$2,000 Upfront \$58 per Month
FHA	Borrowers pay annual fee for the life of the loan.	1.75% Upfront Funding Fee 0.85% Annual Fee	\$3,500 Upfront \$139 per Month
VA	Fee varies based on nature of service, down payment and first-time use.	2.15% Funding Fee for Most Purchase Loans	\$4,300 Upfront
Conventional	Rate varies based on credit score and down payment amount.	0.2 - 1.5% PMI	\$1,000 - \$2,000 Annually



VA Rehab

VA Rehab Has All The Same Benefits As All **VA Home Loans**

PLUS

- **No PMI**
- **100% VA financing** - No money down
- **Purchase and Refinance** options available
- Up to **\$50,000 Renovation Funds** (based on total mortgage qualification)
- Renovations may include required **repairs or improvement/upgrades!**
- Financing is based on 100% of the home's **"After-Improvements Appraised Value"**
- **One Closing, One Lender** "From Application through renovation"
- Up to **\$15,000 Renovation Funds** may be available to contractor at closing
- **VA Registered Contractor is required (Norcom can assist)**

Our Veterans & Service Members Deserve The Best



Make It your Dream-home... with the Norcom VA Rehab Mortgage

Purchase & Improve Or Repair... All In One Single And Affordable Loan!

VA Rehab Has All The Same Benefits As All **VA Home Loans**

PLUS

- **No PMI**
- **100% VA financing** - No money down
- **Purchase and Refinance** options available
- Up to **\$50,000 Renovation Funds** (based on total mortgage qualification)
- Renovations may include required **repairs or improvement/upgrades!**
- Financing is based on 100% of the home's **"After-Improvements Appraised Value"**
- **One Closing, One Lender** "From Application through renovation"
- Up to **\$15,000 Renovation Funds** may be available to contractor at closing
- **VA Registered Contractor is required (Norcom can assist)**

Contact Us Today To Learn More!



John Doe | Loan Originator
 NMLS # 99999
 38 Security Drive, Avon CT
 Phone: 855-999-9999
 Email: John.Doe@norcom-usa.com

To Apply: JohnDoe.NorcomMortgage.com

Norcom Mortgage is a VA approved lender and not a governmental agency; not endorsed or sponsored by the Department of Veterans Affairs or any government agency.
 Norcom Mortgage | NMLS ID # 71655 (www.norcommortgage.com) | This is not an offer to make a loan or to make a loan on any particular terms. All loan applicants must qualify under underwriting requirements and satisfy all contingencies of loan approval. Rates and terms subject to change without notice. 1307 Twin Knolls Road, #13, Columbia, MD 21046





RENOVATION MORTGAGE TYPES ELIGIBLE PROJECTS & IMPROVEMENTS

- Plumbing/Electrical
- Roof, gutters, downspouts
- Heating/AC
- Windows/Siding
- Septic/Well systems
- Painting/Carpeting
- Flooring
- Connection to public utility
- Structural Repair
- Mold/Lead Paint
- Asbestos
- Infestation
- **Kitchen/Bathrooms**
- Additions/Living Space
- Decks/Patios
- Fences/Driveways
- Finish a basement
- Appliances
- Swimming pool repairs
- Swimming pool install
- Energy Improvements
- Landscaping
- Teardown/Rebuild

**REPAIRS
AND/OR
UPDATES!**

IT DOESN'T HAVE TO BE BROKEN!





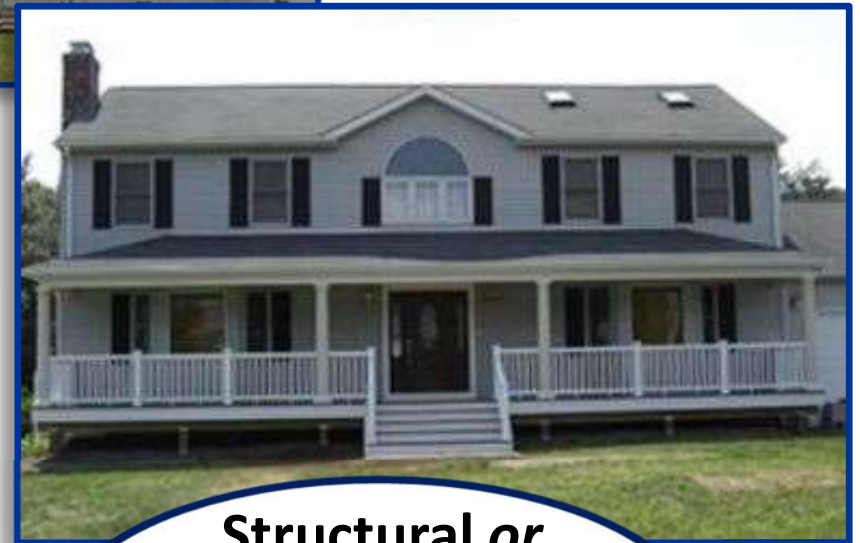


**Additions..
Build up or out!**

Property Type

- 1-4 Unit/Owner Occupied
- Condo
- Small Mixed Use
- Conversions (single to multi, multi to single)
- Owned by anyone
- Any condition





**Structural *or*
non-structural
Changes/additions**



**INSIDE OR
OUTSIDE...**



THE PROCESS "SHOP BACKWARDS"



- **Preapproval** based on total acquisition
- **Offer/Contract** based on purchase price



- **Offer Acceptance**
 - Loan Application and Underwrite
 - Contractor Acceptance

- **Appraisal**



- Ordered when bid received
- Based on "After Completed Value"



- **Close – On Purchase Contract Date**
- **Renovation Process through Norcom**

Determining the amount of available renovation funds!



MAXIMUM MORTGAGE PRE- APPROVAL	\$350,000
HOUSE THEY WANT TO BUY & RENOVATE	<u>\$280,000</u>
MAXIMUM LEFT FOR RENOVATIONS	\$ 70,000

THE APPRAISAL

- ONE appraisal
- Appraiser will use contractor's bid to determine "ACV"
- Value based on *finished product*
- Utilities can be off at time of appraisal inspection
- Repairs can be added *after* appraisal/before close

The Contractor

Must be Licensed/Insured

- Must have references
- Must complete Contractor Acceptance Packet
- Chosen by Borrower
- Provides detailed bid (breaking-out labor/materials cost) for appraiser to determine “After-Improved Value”

HOMEOWNER BENEFITS



- Shop by *location* and turn any house into the home they were looking for!
- **Less competition** on homes in need of improvement
- Renovation can include required **repairs or optional updates**
- Homebuyer makes own update ***choices***
- Avoid reduction of savings or additional credit card debt
- Mortgage is based on ***after-improved value (instant equity)***
- \$10,000 increments equal approximately only \$50/mo. in payment

If you can't find it...
Create it



Renovation Mortgages

Expanding Options...Growing the Inventory!



Purchase & Improve and/or Repair... all in one Mortgage

Today's homebuyer can roll-in the costs of **IMPROVEMENTS** and/or **REPAIRS** & turn ANY house in ANY condition into their *Dreamhome!*

**FHA 203K, FNMA Homestyle, FRDMC ChoiceReno
USDA Renovation & VA Rehab**

- Include repairs, deficiencies, replacements
- Include Improvements, Upgrades, ADDITIONS, luxury items
- Home value/mortgage based on After-Improved-Value
- Purchase closes "as-is" on contract date
- Less Competition on "less-than-perfect" houses

Norcom Mortgage is a direct-lender that owns the transaction from "Application through Renovation"

Norcom
Mortgage NMLS ID # 71655



John Doe | Loan Originator
NMLS ID # 99999
38 Security Drive | Avon, CT 06001
Phone: 860-999-9999
Email: John.Doe@Norcom-USA.com

To Apply: JohnDoe.NorcomMortgage.com
www.JohnDoe.norcommortgage.com

Renovation Mortgage is a VA approved lender and such a governmental agency, not endorsed or approved by the Department of Veterans Affairs, or any governmental agency.
Renovation Mortgage | NMLS ID # 71655 (www.norcommortgage.com) | This is not an offer to make a loan or to make a loan on any particular terms. All loan applications must satisfy underwriting requirements and satisfy all requirements of loan approval. Rates and terms subject to change without notice. 3100 Park Woods Road, #10, Columbia, MD 21046



Norcom
Mortgage NMLS ID # 71655

REALTOR BENEFITS

- Show older homes that need...ANYTHING.
 - kitchen, bath, basement, Floors, appliances, septic, fence... ANYTHING!
- Overcome "I like it, BUT..."
- Save deals subject to appraisal/inspection renegotiation
- Seller makes *NO* repairs.. SELL "AS-IS"
- Target *exhausted* listings
- ***Create Inventory***
- **Competitive Advantage** – "*Be the expert*"
- **GROW YOUR BUSINESS WITH NORCOM**

WHY **Norcom** FOR RENOVATION?



- ✓ Norcom is your Renovation Mortgage lender with over 30 years Renovation Lending experience
 - ✓ **Dedicated Renovation Mortgage Division**
 - ✓ Norcom facilitates renovation process IN-HOUSE, start to finish
 - ✓ Norcom offers ALL Renovation Loan Products
 - ✓ 3rd Party Relationships – Consultants, Inspection Services, etc.
 - ✓ Dedicated, customer-service focused staff to answer all questions at every stage of the process
-

The image shows a construction site. In the foreground, a yellow hard hat sits on a wooden table with blueprints. In the background, two men are shaking hands in front of a house under construction. One man is wearing an orange hard hat and a plaid shirt, while the other is in a light blue shirt. The scene is set during the day with some trees and a clear sky.

Norcom
Mortgage NMLS ID # 71655

QUESTIONS?