

Tips for Scope of Work Submission

A detailed, accurate Scope of Work is vital for a speedy loan origination and a painless draw process. This document provides some guidelines for submitting a completed Scope of Work.

What to include in the Project Summary:

- Describe the current condition of the home and summarize the work that will be completed during the project. Updates described in the Project Summary must also be listed in the itemized Scope of Work
- All additions, square footage increases, floor plan changes, or bedroom and bathroom increases should be explained in the Project Summary.

What to include in the Project Summary:

“Single family home in need of a full renovation. Cleanout previous owners belongings/trash, gut kitchen and bathroom(s), all new roof and gutters, siding repairs and new paint, four new windows, drywall repairs and interior paint, all new interior doors and trim. New kitchen cabinets, granite countertops, all-new stainless steel appliances, all new vanities, toilets, tub/shower pans, all new light fixtures.

Scope of Work Details:

- All division budgets should be sufficient to cover standard labor and material expenses. Budget revisions will be requested if either of these components are missing.
- Work should not be called out in multiple divisions. If Division 16 (Electrical) states that the whole electrical system will be replaced, make sure that the Division 14 (Bathroom) does not also include ‘electrical updates.’ Another example: appliances have their own division, so they shouldn’t be called out in the kitchen division too.
- Several divisions offer pre-written descriptions from a drop-down menu. Pick the one that best represents the work being completed. If there is not an exact match, **add a note in the Project Summary stating what work is actually planned.** Example: ‘repair plumbing system’ is chosen in Division 15 (Plumbing), but only a water heater replacement is planned. Add a sentence in the Project Summary saying “Division 15 budget is for water heater replacement only.”
- LendingHome does not reimburse for staging or “miscellaneous” expenses. If the task is unclear or does not add permanent value to the structure, we cannot reimburse for it. Any fees charged by a general contractor should be allocated evenly across all other division budgets.
- Additional contingency funds may be added to the Scope of Work, but total contingency cannot exceed 10% of the project budget.
- LendingHome automatically adds a 5% contingency to all projects, but up to 5% extra can be added if the borrower wants to make provisions for surprise costs that they may incur.

Free Form Descriptions

Foundation (Division 3): The description should specify the type of foundation work that is planned along with details about where the work is occurring. More details lead to a smoother draw process and a faster reimbursement.

| Unsatisfactory Description | Satisfactory Description |
|----------------------------|---|
| "Piers, fix issues" | "Pour 16 new concrete piers in the crawl space to level sagging floors per the drawings. Install 6 new joists to sister failing beams." |

Framing (Division 8): The description should specify the type of framing work that is planned along with details about where the work is occurring. More details lead to a smoother draw process and a faster reimbursement.

| Unsatisfactory Description | Satisfactory Description |
|----------------------------|---|
| "new wall for bedroom" | "Update floor plan to create new bedroom. Build a dividing wall in main living area to separate a 14x14 space with a door and closet" |

Kitchen (Division 13): The description should call out all kitchen-specific work that is planned and must include the material type of the countertops being installed. With multi-unit buildings, Division 13 should clearly state how many kitchens are being updated and what work is occurring in each kitchen.

| Unsatisfactory Description | Satisfactory Description |
|----------------------------|---|
| "Cabinets, countertop" | "Install new shaker cabinets with granite countertops , undermount sink, handles, and a tile backsplash. This work will occur in both units." |

Bathroom (Div 14): The description should list all bathroom work that is planned with the provided budget. If the building has more than one bathroom, Division 14 should note how many bathrooms will receive the described updates.

| Unsatisfactory Description | Satisfactory Description |
|----------------------------|--|
| "Cabinets, countertop" | " All three bathrooms will have a new toilet, vanity, tub/shower, and accessories installed." |

FAQs

“How do I fix incorrect drop-down selections?”: Once a description is chosen from a drop-down menu, it cannot be completely erased (only changed to a different option). If you find yourself in this situation, please add a note to the Project Summary stating “Division XX was selected in error, no work is planned.”

“Are plans and/or permits needed?”: If the project includes any additions, square footage increases, floorplan changes, new bedrooms or bathrooms, significant mechanical work or exterior improvements, there is a strong possibility that permits will be needed and plans may need drawn. Budget for these items should be included in Division 1.

“Do I need to add a demolition budget?”: If the project will generate enough debris that curbside pickup cannot be utilized, Division 2 should include a budget for debris removal. Labor costs for the associated demolition work should also be included here.