# Home Construction Financing Checklist

for link and support information, go to: **www.SayBuild.com**

### Calculate How Much You Can Afford?

Run your numbers to see how much you can afford. For a complete list of calculators:
www.SayBuild.com/calculate

### Check Your Credit

Credit scores at 720 and up are in position to get best rate. Check your credit score for any errors before making your application:
www.SayBuild.com/check-credit.html

### Check Your Debt Ratios

Your debt ratio should be around 36% or less for best financing rate.

Run your own calculations and see what else you need to qualify for home construction loan:
www.SayBuild.com/step5.html

### Review Home Mortgage (Construction) Products

Should you get a fixed home mortgage loan or an ARM to payoff your construction line? See our product examples:
www.PickMyMortgage.com

### Pay Off Your Mortgage FAST!

You can payoff your mortgage FAST without changing your finances or spending. See our illustration:
www.PickMyMortgage.com/payoff

### Shop Multiple Lenders

Part of rate negotiation includes shopping your loan needs with multiple lenders.

Start with our lending network that includes several national lenders ready to compete for your loan. Use the loan shopping sheet attached with this file to track lender terms so that you can negotiate best deal:

**Apply Here:**
www.PickMyMortgage.com/apply

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# Mortgage Shopping Worksheet

| | Lender 1 | | Lender 2 | |
|---|---|---|---|---|
| **Name of Lender:** | | | | |
| **Name of Contact:** | | | | |
| **Date of Contact:** | | | | |
| **Mortgage Amount:** | | | | |
| | mortgage 1 | mortgage 2 | mortgage 1 | mortgage 2 |
| **Basic Information on the Loans** | | | | |
| Type of Mortgage: fixed rate, adjustable rate, conventional, FHA, other? If adjustable, see below | | | | |
| Minimum down payment required | | | | |
| Loan term (length of loan) | | | | |
| Contract interest rate | | | | |
| Annual percentage rate (APR) | | | | |
| Points (may be called loan discount points) | | | | |
| Monthly Private Mortgage Insurance (PMI) premiums | | | | |
| How long must you keep PMI? | | | | |
| Estimated monthly **escrow** for taxes and hazard insurance | | | | |
| Estimated monthly payment (Principal, Interest, Taxes, Insurance, PMI) | | | | |
| **Fees** Different institutions may have different names for some fees and may charge different fees. We have listed some typical fees you may see on loan documents. | | | | |
| Application fee or Loan processing fee | | | | |
| Origination fee or Underwriting fee | | | | |
| Lender fee or Funding fee | | | | |
| Appraisal fee | | | | |
| Attorney fees | | | | |
| Document preparation and recording fees | | | | |
| Broker fees (may be quoted as points, origination fees, or interest rate add-on) | | | | |
| Credit report fee | | | | |
| Other fees | | | | |
| **Other Costs at Closing/Settlement** | | | | |
| Title search/Title insurance For lender | | | | |
| For you | | | | |
| Estimated prepaid amounts for interest, taxes, hazard insurance, payments to escrow | | | | |
| State and local taxes, stamp taxes, transfer taxes | | | | |
| Flood determination | | | | |
| Prepaid Private Mortgage Insurance (PMI) | | | | |
| Surveys and home inspections | | | | |
| **Total Fees and Other Closing/Settlement Cost Estimates** | | | | |

## Mortgage Shopping Worksheet—continued

| | Lender 1 | | Lender 2 | |
|---|---|---|---|---|
| **Name of Lender:** | | | | |
| | mortgage 1 | mortgage 2 | mortgage 1 | mortgage 2 |
| **Other Questions and Considerations about the Loan** | | | | |
| Are any of the fees or costs waivable? | | | | |
| **Prepayment penalties** | | | | |
| Is there a prepayment penalty? | | | | |
| If so, how much is it? | | | | |
| How long does the penalty period last? (for example, 3 years? 5 years?) | | | | |
| Are extra principal payments allowed? | | | | |
| **Lock-ins** | | | | |
| Is the lock-in agreement in writing? | | | | |
| Is there a fee to lock-in? | | | | |
| When does the lock-in occur—at application, approval, or another time? | | | | |
| How long will the lock-in last? | | | | |
| If the rate drops before closing, can you lock-in at a lower rate? | | | | |
| **If the loan is an adjustable rate mortgage:** | | | | |
| What is the initial rate? | | | | |
| What is the maximum the rate could be next year? | | | | |
| What are the rate and payment caps each year and over the life of the loan? | | | | |
| What is the frequency of rate change and of any changes to the monthly payment? | | | | |
| What is the index that the lender will use? | | | | |
| What margin will the lender add to the index? | | | | |
| **Credit life insurance** | | | | |
| Does the monthly amount quoted to you include a charge for credit life insurance? | | | | |
| If so, does the lender require credit life insurance as a condition of the loan? | | | | |
| How much does the credit life insurance cost? | | | | |
| How much lower would your monthly payment be without the credit life insurance? | | | | |
| If the lender does not require credit life insurance, and you still want to buy it, what rates can you get from other insurance providers? | | | | |