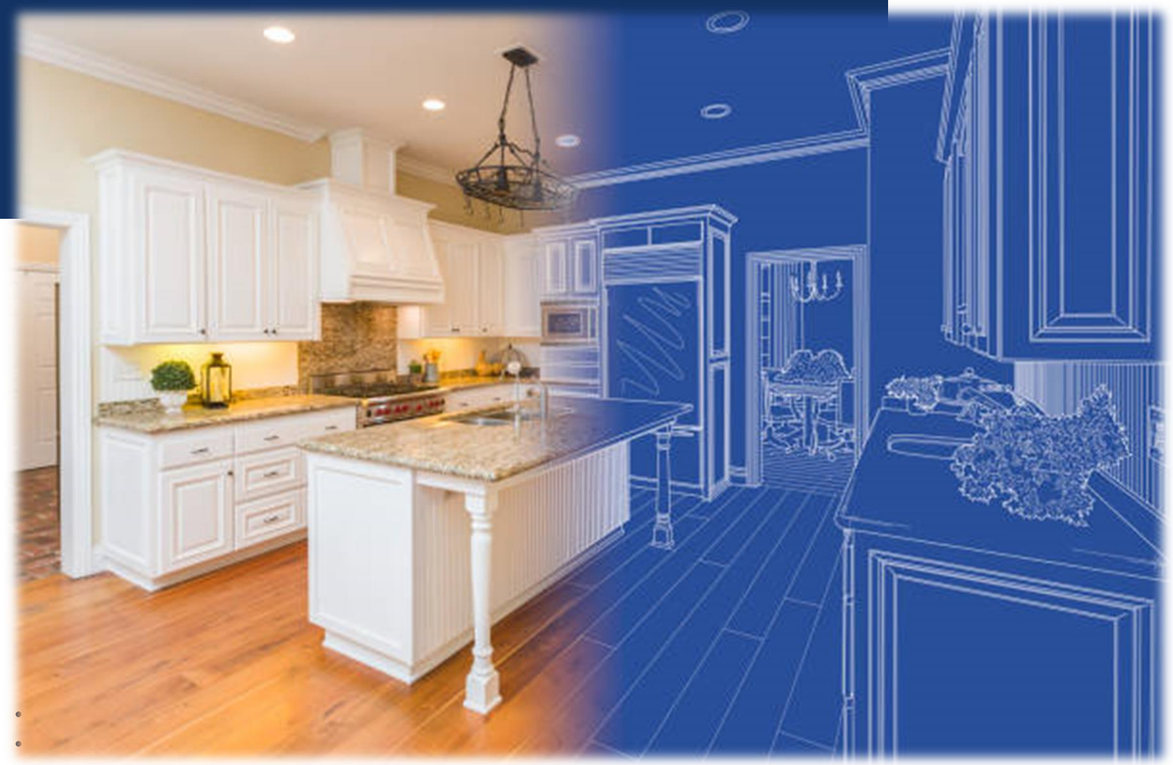
MLBWHOLESALE
Making Lives Better



MLB Renovation Suite:

From Rehab to Remarkable

www.MLBWholesale.com

NMLS #1101220

MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Servicer, AZ Department of Insurance and Financial Institutions, CA Department of Financial Protection and Innovation, CO Division of Real Estate, CT Department of Banking, DC Department of Insurance, Securities, and Banking, DE Office of the State Bank Commissioner, FL Office of Financial Regulation, GA Department of Banking and Finance, IA Division of Banking Finance Bureau, ID Mortgage Broker Lender License, IL Department of Financial & Professional Regulation, IN Department of Financial Institutions, KS Office of the State Bank Commissioner, KY Department of Financial Institutions, LA Office of Financial Institutions, MD Office of the Commissioner of Financial Regulation, ME Bureau of Consumer Credit Protection, MI Department of Insurance and Financial Services, MN Department of Commerce, MS Department of Banking and Consumer Finance, MO Division of Finance, MS Department of Banking and Consumer Finance, MT Division of Banking & Financial Institutions, NE Department of Banking and Finance, NV Division of Mortgage Lending, NH Banking Department, NC Commission of Banks Office, ND Department of Financial Institutions, NM Mortgage Loan Company License, NY Department of Financial Services, OH Division of Financial Institutions, OK Department of Consumer Credit, OR Department of Consumer and Business Services, PA Department of Banking and Securities, RI Department of Business Regulation, SC Board of Financial Institutions, SD Division on Banking, TN Department of Financial Institutions, TX Department of Savings and Mortgage Lending, UT Department of Financial Institutions, VT Department of Financial Regulation, VA Bureau of Financial Institutions, WA Department of Financial Institutions, WI Department of Financial Institutions, WV Division of Financial Institutions, WY Division of Banking. All Rates subject to change without notice. MLB, in no way, claims to represent or to conduct business on behalf of HUD or the Federal Government. EQUAL HOUSING LENDER

Let’s Start With a Quick Question

How many have lost loans due to:

- Inspection issues?
- Occupancy issues?
- Lack of Comps?
- Subject to Appraisals?
- Mandatory Water/Sewer Hookups?
- Septic Repair/Replacement?

What is Renovation Financing?

Renovation Loans allow borrowers to:

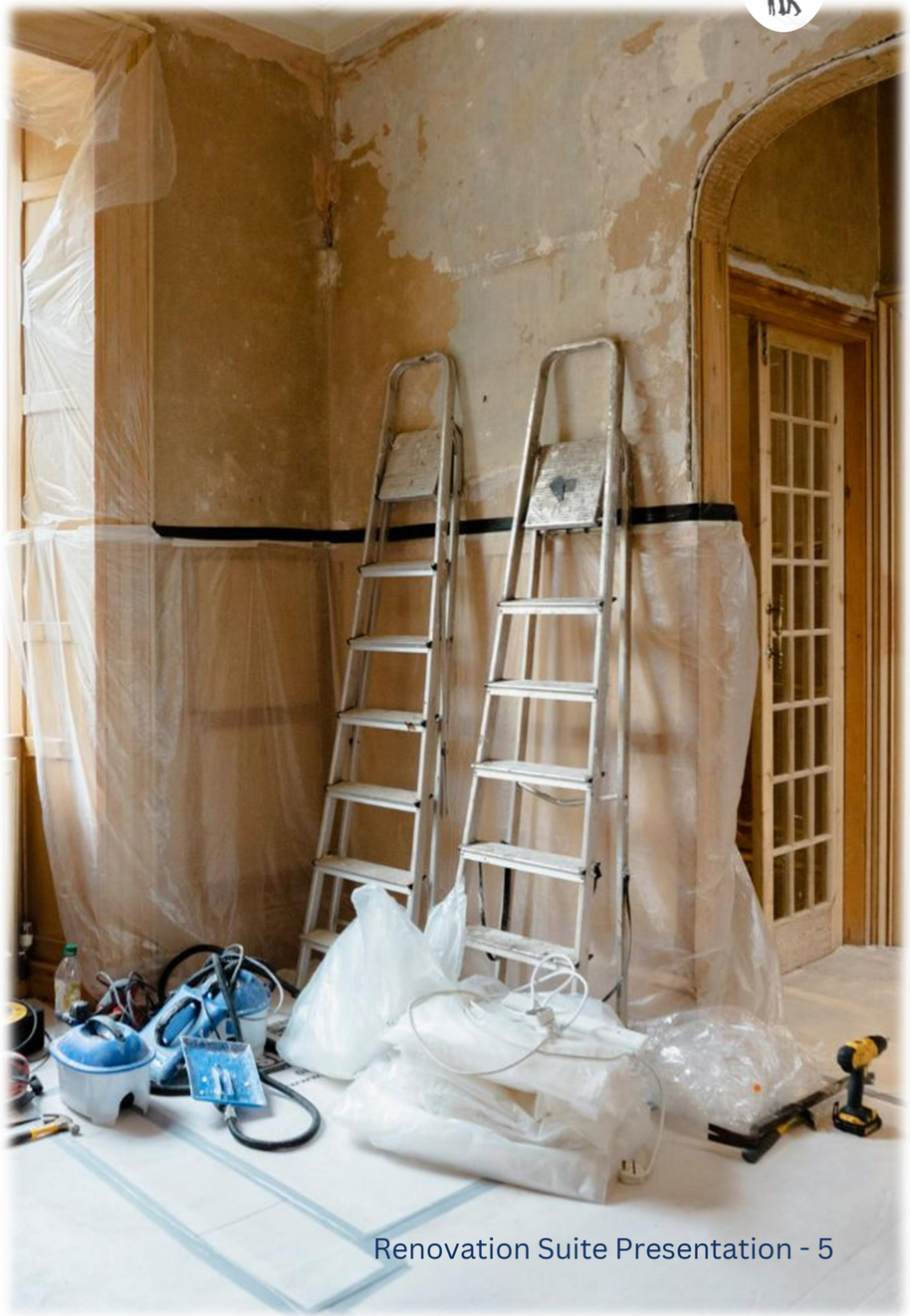
- Purchase or refinance a home and renovation with **one loan**
- Finance repairs based on the **after-improved value**
- Complete improvements **after closing**
- Increase **property value and livability**

WHY USE RENOVATION?

Aged Housing	**Aging Population** (deferred maintenance)	**Build equity**	**Influx of foreclosures**
Family has outgrown starter home	**Energy-efficient improvements**	**Accessibility for the disabled**	**Make a home your own**

MLB RENOVATION PROGRAMS

- FHA 203k Limited
- FHA 203k Standard
- VA Renovation



CONTRACTORS

CONTRACTORS DO NEED TO BE APPROVED BY MLB

MLB Team will review to make sure that the individual contractor's information and documentation are acceptable

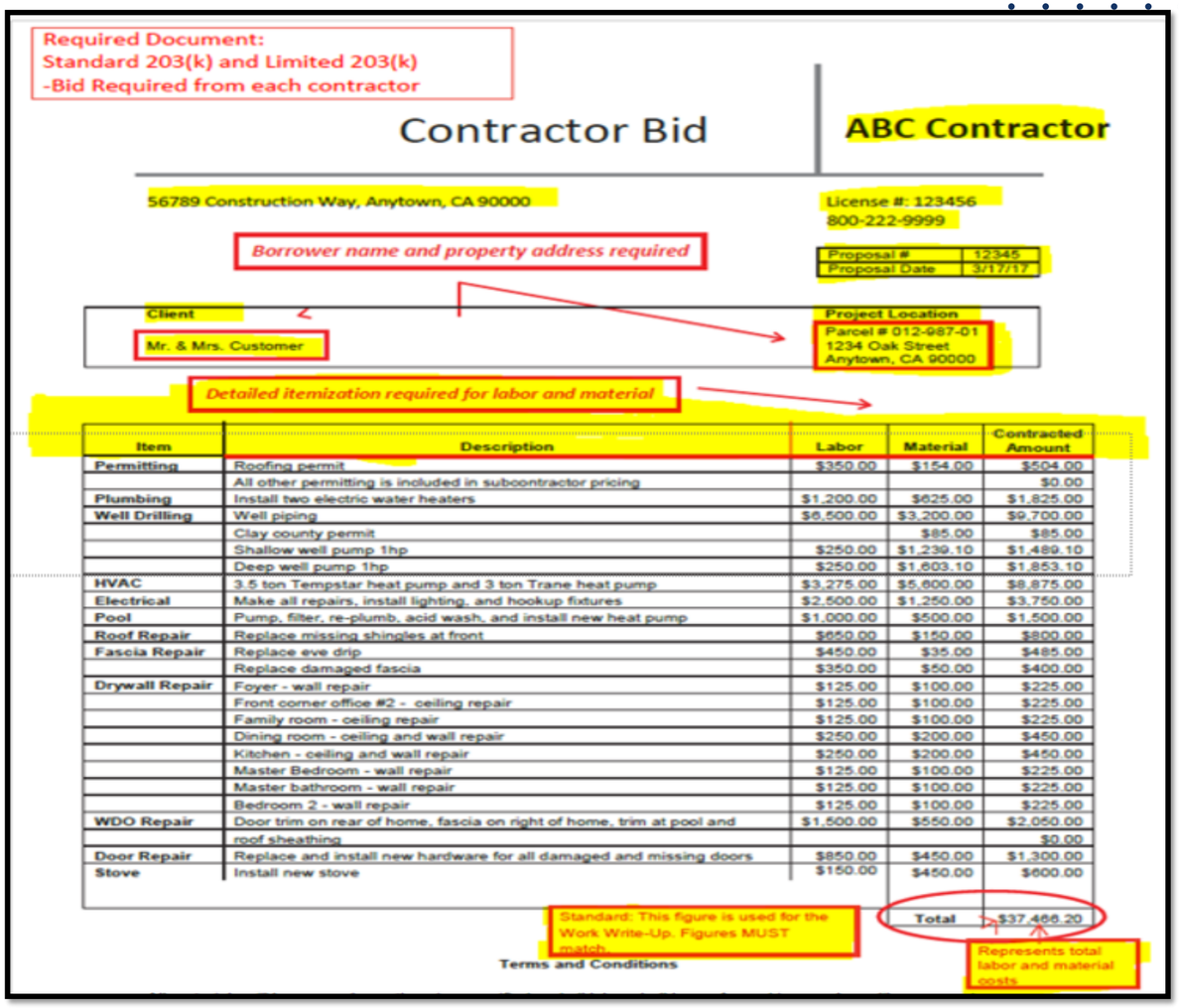
All contractors must provide the following for approval:

1. Proof of business license and valid driver's license
2. Contractor profile to include:
    a. Three business references completing similar jobs
    b. Insurance, phone # and policy #
3. General liability Insurance and workman's comp
    a. Signed/dated detailed bid itemizing the specific cost (material and labor) of each individual repair
    b. Completed Federal W-9

ACCEPTABLE CONTRACTOR BID

Contractor Bid must include:

- Borrower Name/s
- Property Address
- Contractor Name/Address
- Itemization of the cost of labor/materials
- Details for each repair item
- Total cost
- Signatures for borrower(s) and contractor



Required Document:
Standard 203(k) and Limited 203(k)
-Bid Required from each contractor

Contractor Bid

ABC Contractor

56789 Construction Way, Anytown, CA 90000

License #: 123456
800-222-9999

Borrower name and property address required

Proposal #	12345
Proposal Date	3/17/17

Client
Mr. & Mrs. Customer

Project Location
Parcel # 012-987-01
1234 Oak Street
Anytown, CA 90000

Detailed itemization required for labor and material

Item	Description	Labor	Material	Contracted Amount
Permitting	Roofing permit	$350.00	$154.00	$504.00
	All other permitting is included in suboontractor pricing			$0.00
Plumbing	Install two electric water heaters	$1,200.00	$625.00	$1,825.00
Well Drilling	Well piping	$6,500.00	$3,200.00	$9,700.00
	Clay county permit		$85.00	$85.00
	Shallow well pump 1hp	$250.00	$1,239.10	$1,489.10
	Deep well pump 1hp	$250.00	$1,603.10	$1,853.10
HVAC	3.5 ton Tempstar heat pump and 3 ton Trane heat pump	$3,275.00	$5,600.00	$8,875.00
Electrical	Make all repairs, install lighting, and hookup fixtures	$2,500.00	$1,250.00	$3,750.00
Pool	Pump, filter, re-plumb, acid wash, and install new heat pump	$1,000.00	$500.00	$1,500.00
Roof Repair	Replace missing shingles at front	$650.00	$150.00	$800.00
Fascia Repair	Replace eve drip	$450.00	$35.00	$485.00
	Replace damaged fascia	$350.00	$50.00	$400.00
Drywall Repair	Foyer - wall repair	$125.00	$100.00	$225.00
	Front corner office #2 - ceiling repair	$125.00	$100.00	$225.00
	Family room - ceiling repair	$125.00	$100.00	$225.00
	Dining room - ceiling and wall repair	$250.00	$200.00	$450.00
	Kitchen - ceiling and wall repair	$250.00	$200.00	$450.00
	Master Bedroom - wall repair	$125.00	$100.00	$225.00
	Master bathroom - wall repair	$125.00	$100.00	$225.00
	Bedroom 2 - wall repair	$125.00	$100.00	$225.00
WDO Repair	Door trim on rear of home, fascia on right of home, trim at pool and	$1,500.00	$550.00	$2,050.00
	roof sheathing			$0.00
Door Repair	Replace and install new hardware for all damaged and missing doors	$850.00	$450.00	$1,300.00
Stove	Install new stove	$150.00	$450.00	$600.00
			Total	$37,466.20

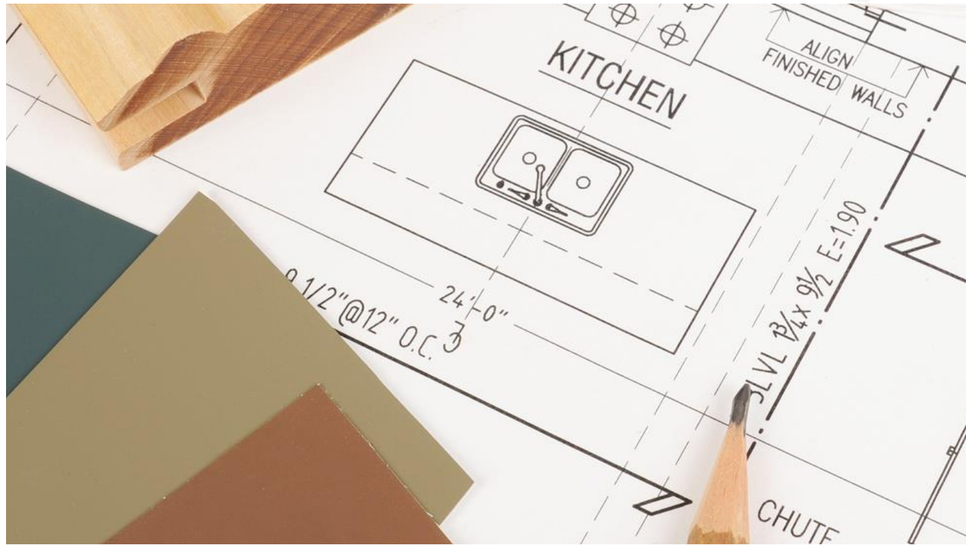
Standard: This figure is used for the Work Write-Up. Figures MUST match

Represents total labor and material costs

Terms and Conditions

WHAT IS A 203K?

The FHA 203K program is HUD's primary program for the rehabilitation and repair of residential properties



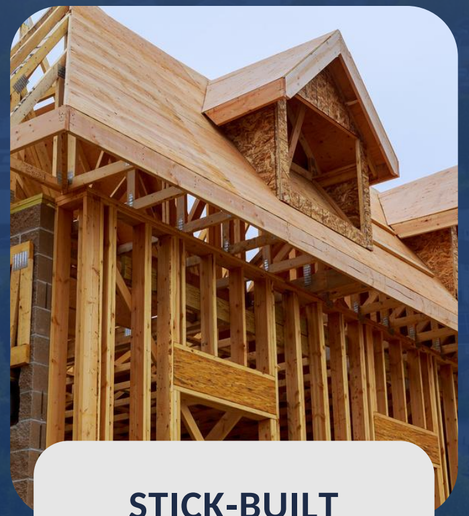
Purchase and rate/term only

Cash out to borrowers not allowed

MLB offers the Limited and the Standard 203K

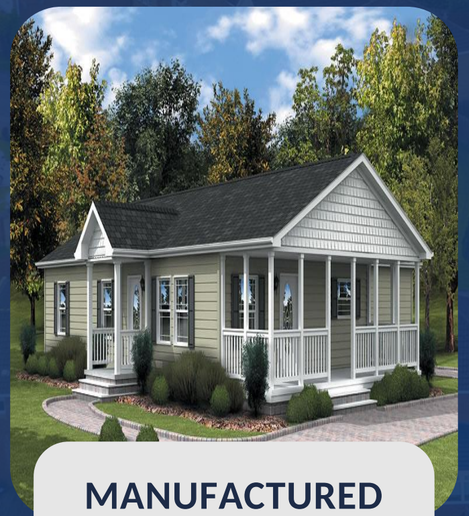
ELIGIBLE BORROWERS

- Standard FHA credit guidelines
- 620 Minimum FICO
- Seller Concessions allowed up to 6%
- Manual underwriting permitted



STICK-BUILT

MODULAR HOMES



MANUFACTURED HOMES

CONDO FHA APPROVED
(WALLS IN)

ELIGIBLE PROPERTIES & LOAN LIMIT GUIDELINES

Loan Guidelines

- 1-4 Units
- Minimum 620 FICO
- Minimum $5000 repair

Maximum Loans

- Maximum loan amount per FHA County Limits
- Maximum loan limits are determined by HUD geographic areas
- Maximum loan to value is 96.5% for purchases and 97.75% for rate/term refinance

Loan To Value

- The loan-to-value is based on the lesser of:
  - Sales price or “as is” appraised value + total rehab cost
  - Purchase: Use sales price or appraised value, whichever is lower
  - Refinances: Require “as is” value
  - 110% of after improved value for 1-4 units, 100% for Condo

LIMITED 203K

The Limited 203K is intended to help facilitate, uncomplicated improvements or repairs to a home that does not require plans, consultants, engineers, architects, etc.

- Non-structural repairs with total cost at or below $75K
- Minimum $5000 in repairs
- No HUD Consultant required, but always recommended
- Max of 1 general contractor (arm's length)
- 2 draws disbursed to the contractor

STANDARD 203K

DESIGNED FOR MORE COMPLICATED PROJECTS

- Structural repairs and/or repair costs exceeding 75K
- Minimum $5,000 in repairs
- HUD Consultant required
- If the house is uninhabitable, may finance up to 12 months of PITI during that period
- Bid prepared by 1 general contractor (arm's length)
- Max draws 5 during the rehab phase, draw schedule determined by the contractor and HUD Consultant

VA RENOVATION

The **VA Renovation Loan** helps **veterans and eligible surviving spouses** turn a house into their dream home by combining the purchase or refinance and renovation costs into **one convenient loan with a single closing.**

- Purchase and Cash Out 1 ONLY (not permitted for Cash Out 2)
- 600 Minimum FICO
- **100% Financing**
- No minimum rehab costs
- **Max rehab cost:** $50k
- Non-Structural work only
- Max of 1 general contractor (arm's length)
- 10-15% contingency required
- Work must be completed within 4 months

*Not permitted in NY

HUD CONSULTANTS

- Paid at the time of service by the borrower or financed into the loan amount
- Inspects property
- Determine fair market price for project cost
- Supervises rehab
- Performs draw inspections
- May request a draw of Contingency Reserve funds at ANY TIME
- Certifies project completion
- Works with borrower to keep project moving and on schedule

RECOMMENDED FOR LIMITED & STANDARD 203K PROGRAMS

HUD CONSULTANT COST

- The consultant's fees are determined by the estimate cost of the repairs and can be included in the maximum mortgage calculations
  - On Multi-Unit (2-4 unit) Properties the consultant can charge an additional $50 per unit

Item	New Fee Schedule
Work Write-Up	• Up to $1,000 for repairs less than or equal to $50,000 • Up to $1,200 for repairs between $50,001 and $85,000 • Up to $1,400 for repairs between $85,001 and $140,000 • 1% of the repair costs or $2,000, whichever is lower, for repairs above $140,000

CLOSING/POST CLOSING

MLB will not disburse any funds prior to work being in place. Subsequent draw amounts will be based on inspections & percentage of completion.

Each authorized draw will include a 10% holdback (Total of holdbacks released with final disbursement)

When work is completed:

- Borrower notifies MLB
- MLB will order the final inspection from the original appraiser or AMC, if not available
- Upon receipt of inspection and forms, a final disbursement will be made to the contractor
- All draws are released through ACH transfer
- Any unused funds in escrow are applied as a principal reduction

RESOURCES

Reach out to Client Services for assistance

Call or Text: 973-564-0866

View MLB's programs here

Videos and Presentations here

MLBWHOLESALE

Making Lives Better

www.MLBWholesale.com

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@mlbwholesale

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