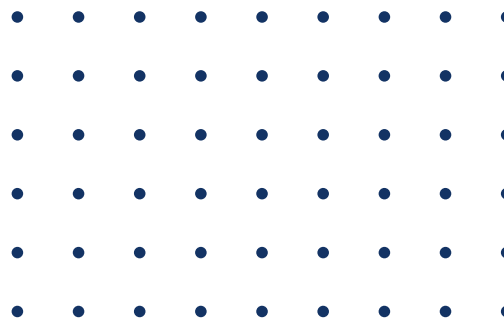


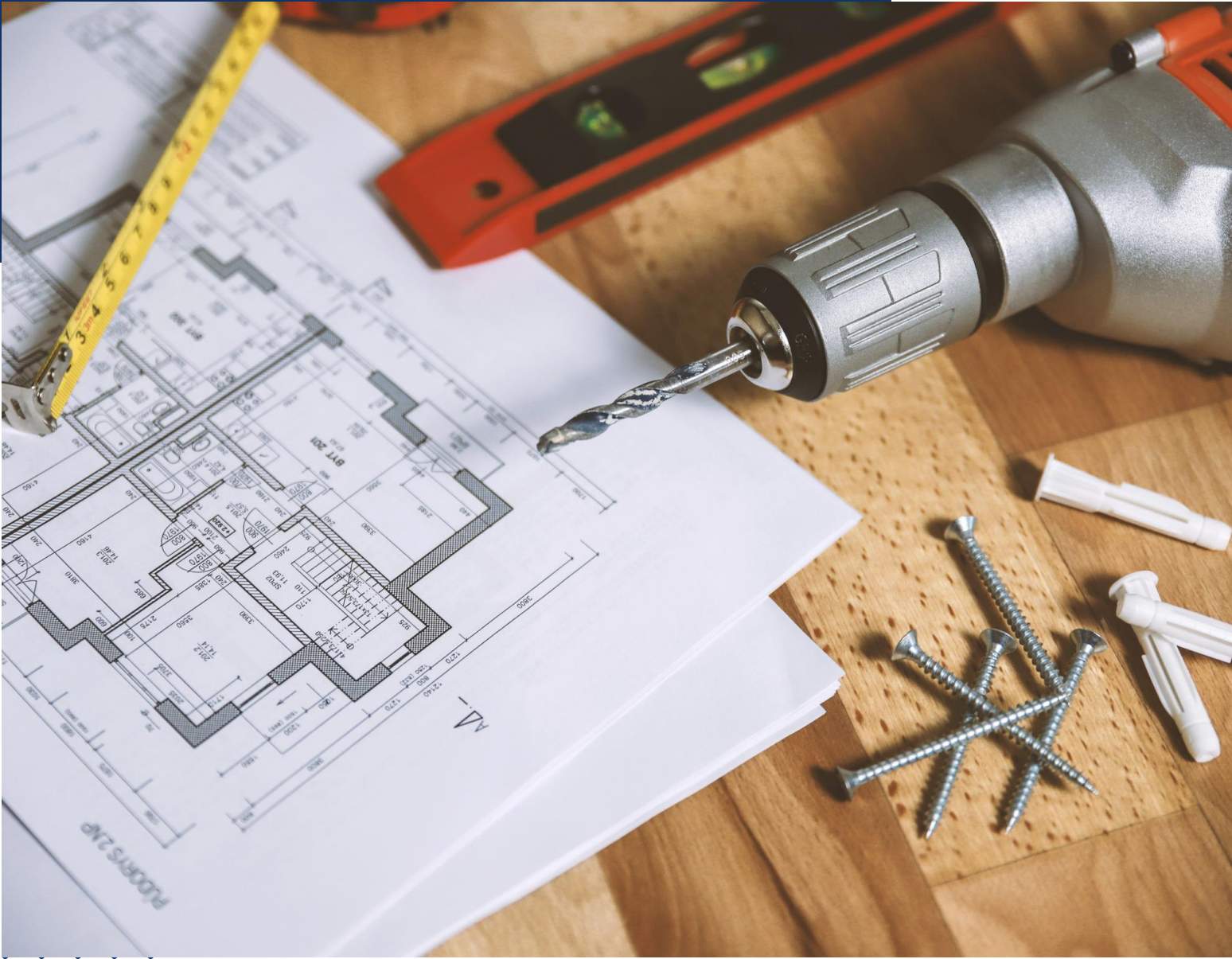


MLBWHOLESALE
Making Lives Better

203K

Turn Renovation into Opportunity

www.MLBWholesale.com



 NMLS #1101220

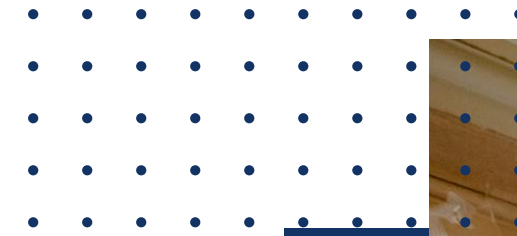
MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Service, 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, MA Division of Banks: MA Licensed Mortgage Lender/Licensed Mortgage Broker MC1101220. 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, 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



The Opportunity

The 203k Renovation program lets your borrower:

- Purchase or Refinance and **renovate in one loan**
- **Finance** upgrades without separate construction financing
- **Increase** home value + borrower buyer power





WHY USE 203k?

Aged Housing

**Aging
Population**
(deferred maintenance)

**Build
equity**

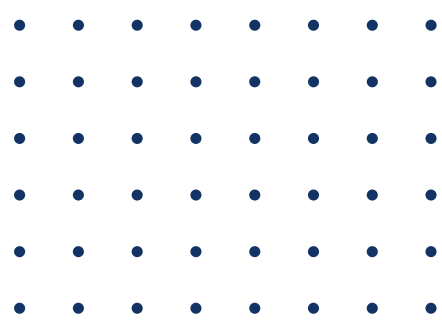
**Influx of
foreclosures**

**Family has
outgrown
starter home**

**Energy-
efficient
improvements**

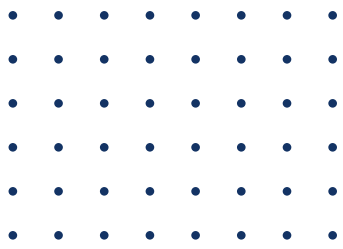
**Accessibility
for the
disabled**

**Make a home
your own**

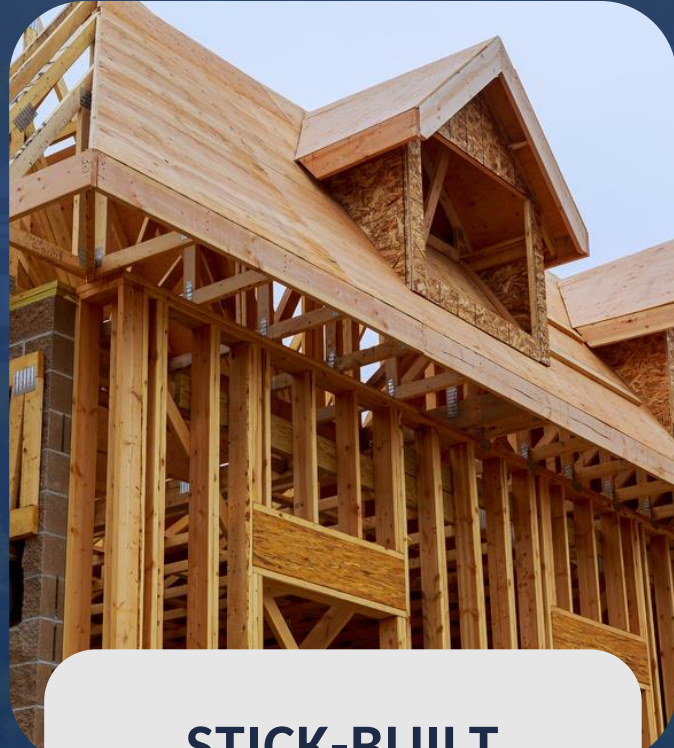




ELIGIBLE BORROWERS



- Standard FHA credit guidelines
- 620 minimum FICO
- All loans must be submitted through DU.
 - *Manual Underwrites are permitted (must meet all Manual Underwriting requirements per 4000.1 HUD Handbook)*
- Seller concessions up to 6%



STICK-BUILT



MODULAR HOMES



**MANUFACTURED
HOMES**

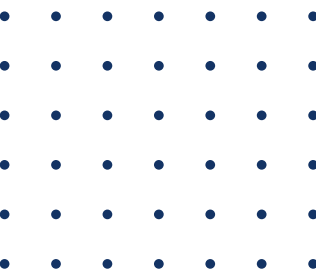


**CONDO FHA
APPROVED
(WALLS IN)**

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

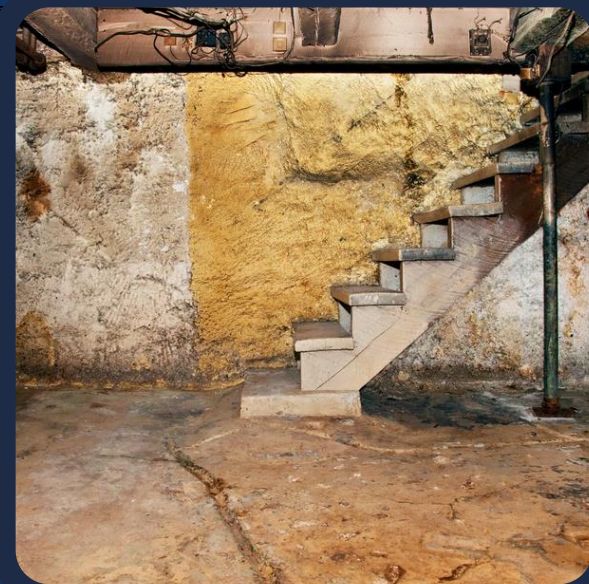
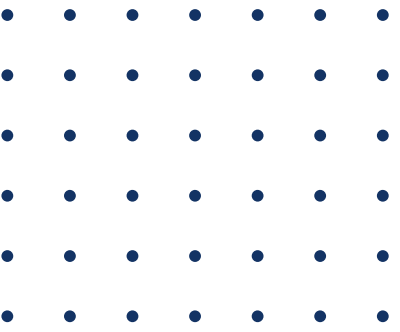
The Limited 203K is intended to help facilitate, uncomplicated improvements or repairs to a home that does not require plans, consultants, engineers, architects, etc.

- 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 (arms-length)
- 2 draws max





LIMITED 203K **ELIGIBLE** REPAIRS



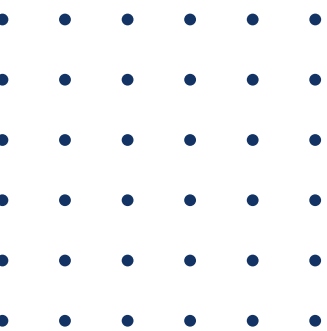
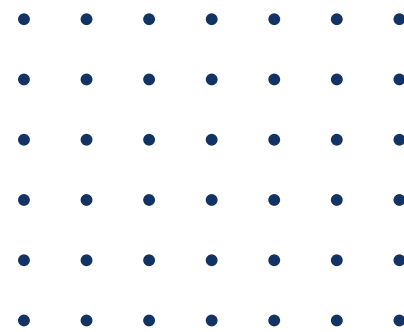
- Roofs
- Gutters/Downspouts
- HVAC
- Plumbing
- Electrical
- Flooring
- Painting (Interior, exterior, lead-based)
- Windows
- Doors
- Septic/Well
- Fencing
- Modifications for disabled
- Appliances
- Basement (remodeling/finishing)
- Exterior Decks, Patios, Porches



LIMITED 203K INELIGIBLE REPAIRS

Major rehab:

- Structural repairs
- Room additions
- Repairs requiring drawing architectural exhibits
- Landscaping, site amenity improvements
- Any repair that will displace the homeowner for more than 30 days





LIMITED 203K FEES

Costs to Know:

- Inspection Fee: 2 total (\$750)
- Title Update: ~\$200
- Supplemental Origination: 1.5% or \$350

Escrows & Reserves:

- Contingency Reserve: 10%
- Escrow Amount: Labor + Materials





STANDARD 203K

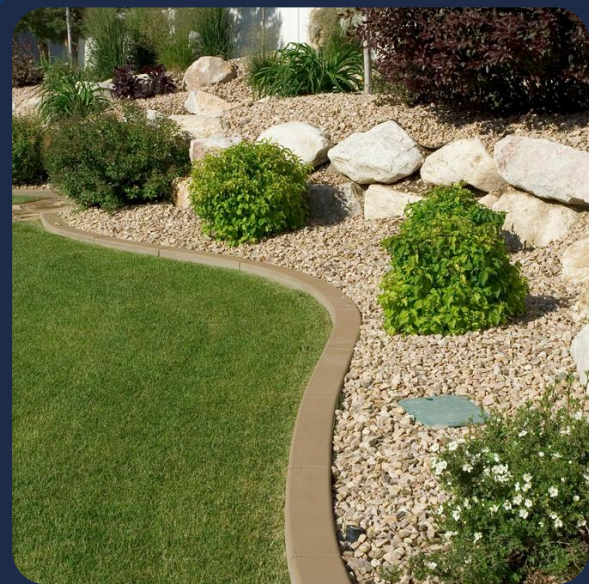
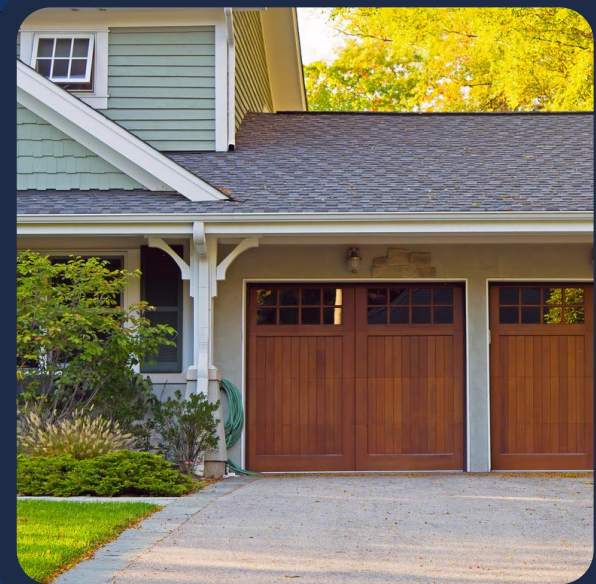
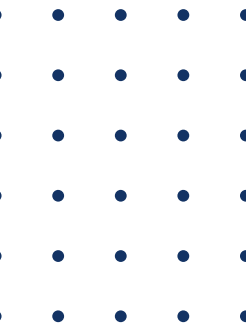
DESIGNED FOR MORE COMPLICATED PROJECTS

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





STANDARD 203K **ELIGIBLE** REPAIRS

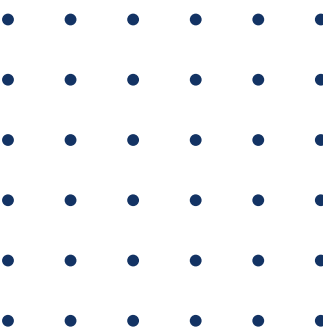


- Repairs Requiring Drawings, Specs, Architectural Exhibits
- Energy Improvements
- Structural Repairs
- Conversions of SFR to 2-4 Unit or Vice Versa
- Room Additions
- Attached or Detached Garage
- Landscaping, Site Amenity Improvements
- Health/Safety Issues



STANDARD 203K INELIGIBLE REPAIRS

- Luxury items
 - Gazebos
 - Tennis courts
 - Spas
- Outdoor kitchens





STANDARD 203K FEES

Costs to Know:

HUD Consultant Fee: ~\$1000-\$2000

Inspection Fee: Up to 5 total (\$375 each)

Title Update: \$100 per draw

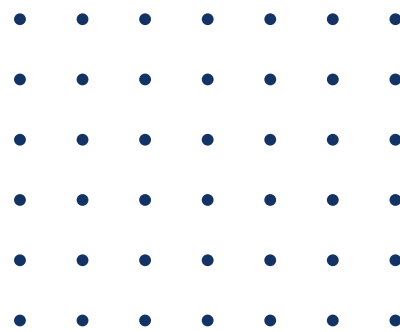
Supplemental Origination: 1.5% or \$350

Escrows & Reserves:

Contingency Reserve: 10%-20%

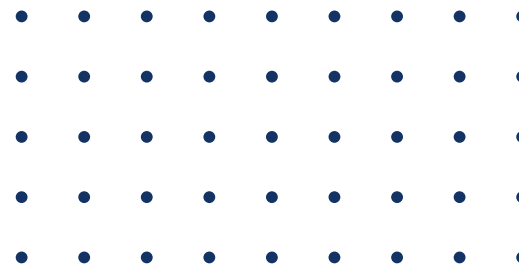
Mortgage Payments: Up to 12 months (if uninhabitable)

Escrow Amount: Labor + Materials





CONTRACTORS



CONTRACTORS DO NEED TO BE APPROVED BY MLB

Client Services 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

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 subcontractor 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 roof sheathing	\$1,500.00	\$550.00	\$2,050.00
				\$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

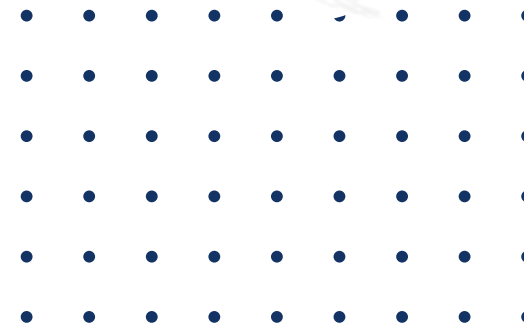
Standard: This figure is used for the Work Write-Up. Figures MUST match.

Represents total labor and material costs

Terms and Conditions



HUD CONSULTANTS

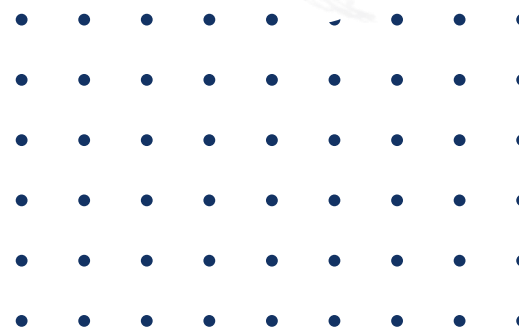


- Paid at the time of service by the borrower or financed into the loan amount
- Inspects property
- Determine fair market price for project cost
- Supervises rehab
- Performs draw inspections
- May request a draw of Contingency Reserve funds at ANY TIME
- Certifies project completion
- Works with borrower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

RECOMMENDED FOR LIMITED | REQUIRED FOR STANDARD 203K PRODUCTS



HUD CONSULTANT COST

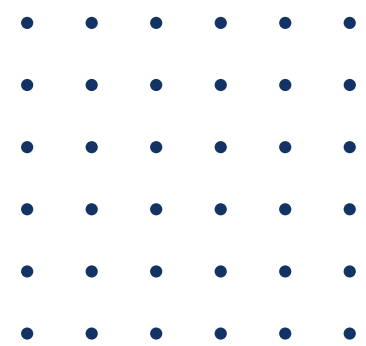


- The consultant’s fees are determined by the estimate cost of the repairs and can be included in the maximum mortgage calculations
 - On Multi-Unit (2-4 unit) Properties the consultant can charge an additional \$50 per unit

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



REHAB AND DRAW PROCESS

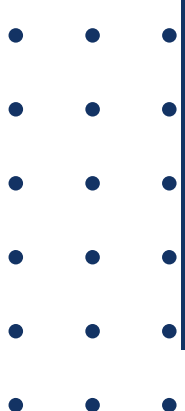


LIMITED 203K

STANDARD 203K

- Does not allow borrowers to be displaced from the property for more than 30 days during repair period
- Once work is complete borrower will notify MLB and sign letter of completion
- Final inspection is conducted and remaining funds are disbursed

- Typically, the consultant will authorize up to a maximum of 5 draws plus the final disbursement
- Each authorized draw will include a (10%) holdback (Total of holdbacks released with final disbursement)
- Final inspections are completed by consultants
- Any changes must be authorized by MLB and consultant





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](#)





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www.MLBWholesale.com



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(973) 564-0866



@mlbwholesale

841 Mountain Ave, Suite 400, Springfield, NJ 07081

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