Process for APT – AFR 1 X Close VA Construction Product

(Minimum 60 Day Contracts Accepted - No Exceptions) - Mentor Gary Franklin

Steps for the Referring Loan Officer - APT LO Mentor and Support Staff

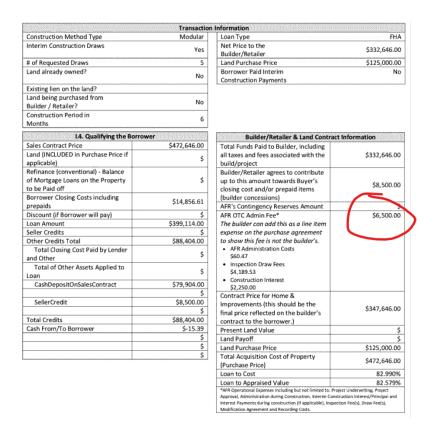
*Note the most important item to know on any 1 X Close Construction program is that the builder MUST act as the general contractor for the construction **AND** be approved PRIOR to Application. Please click on the below link to start the Builder Approval Process:

Link: c39de5 0b917559ca654017b6a16c9ac1440427.pdf (myfsbretail.com)

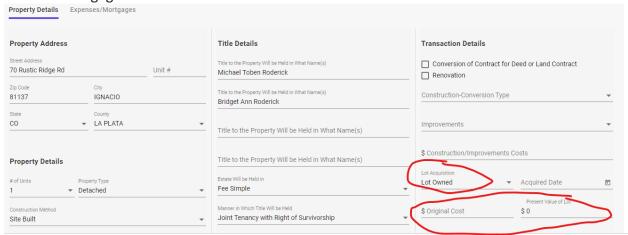
*Note that both "Stick Built" and "Site Built" options are only allowed for government loans. Conventional lending is limited to either manufactured or modular financing (Site Built).

REFERRING LO / APT CORR MENTOR:

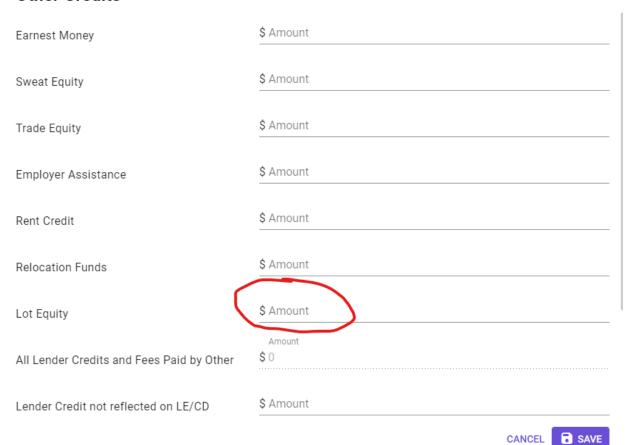
- 1) Make sure to review the contract and your construction contract estimate that it includes all areas of construction (if applicable unit, electric, plumbing, sewer, well, sodding/seeding, etc.).
- 2) This program requires a builders "soft cost" fee that is determined during the process. This amount at a minimum is \$6,500. This will show as a line item on our loan amount calculation worksheet and can be financed into the loan amount.



- 3) Other Items to fill in on your URLA (If Applicable):
 - A) Enter your total sales contract amount like normal once you received from the builder.
 - B) Enter any "Lot Equity" if the borrowers own the land currently under the below two areas in mortgage bot.



Other Credits



C) Make sure to mark any land payoff as "To Be Paid" on the liability section on URLA.

- 4) LE Should be set-up like a normal loan in the LO's area. However, please remember:
 - A) Final Inspection fees of \$625
 - B) *Structural Engineers Report for Manufactured Housing Units.
 - C) Must disclose title update fees, at a minimum 5 @ \$150 = \$750
 - D) There may be significant discount points required on this product. Please see the APT Rate Sheet for the exact amount. If there is not a 6% seller concession the program may not be viable. APT will make sure to charge for the appropriate discount on each loan before disclosing.
 - E) In addition to normal fee setup make sure the \$1800 commitment fee is disclosed on all APT Correspondent loans unless an exception has been granted by doing a lender credit from JH on the URLA prior to disclosure. This fee will be used to "replace" any regular underwriting or processing charges (please remove I/A).
- 5) Please remember "Out of Area" loan policy on possible "Transfer Taxes".
- 6) Review to make sure that the services have been ran on all loan products (Credit, DV, Flood, DU or LP).
- 7) Review loan for approvability vs. any AFR Overlays from their site.
- 8) Once the loan is reviewed for approvability, the following disclosures will be required prior to initial disclosure preparation and submission that are required on the program. Please see the APT Website for these disclosures and please upload them to Image Flow. There are disclosures for both the builder and borrower that must be completed.

Builder Link: c39de5 1dbfc186b06c44f38097531ed0a4ecb7.pdf (myfsbretail.com)

Borrower Link: c39de5 eb2d98d01eba4b2e96f76d7f61779090.pdf (myfsbretail.com)

There is one disclosure that will be required after the appraisal is received and must be signed by both the builder and the borrower(s).

During Process Link: c39de5_017f28651da042b782146aecd7d9e706.pdf (myfsbretail.com)

If there are cost overruns on a post-closing basis the below form would be required: **Post Closing Link:** c39de5 c4d3686f6b8e4000adeadc430072dd5b.pdf (myfsbretail.com)

- *If you have any questions on any of these disclosures, please contact Gary Franklin, the assigned Mentor on this product offering.
- 9) Please note that because you are the originating loan officer you MAY receive emails from AFR directly throughout the process requesting items, please forward these directly to your APT Processor and Mentor. COMPLETELY ignore these emails and DO NOT respond.
- 10) Must have Builder Permits no exceptions, PRIOR to closing.