



## **Introducing Pulaski Bank's Purchase Rehab Loan**

### **Purchase a Home & Include the Cost of Improvements in Your Pulaski Bank Financing!**

Here is how it works:

- Find the home your Buyer's want to purchase for their personal residence.
- Write an offer "contingent upon the Buyer obtaining plans and specs for home improvements within 'x' days of approval".
- Have or help your Buyers obtain plans for their improvements. Get the specifications agreed to and obtain quotes from several reputable sources.
- Increase the sales price with the cost of improvements to create the 'Acquisition Cost of the home".

On the day of closing, the seller gets their agreed to sales price and the additional funds are put in a construction account for your Buyer. Draws are made as the work progresses. What else should you know?

- An appraisal is completed based on the 'subject to' completion of the work, so the Buyer knows the true value [remember some improvements will only bring a home up to standard value, not increase the value].
- A contingency factor of 10% is required in the construction costs and put into the transaction. This can either be paid by the Buyer at closing or rolled into the construction portion of the loan.
- The Purchase Plus loan is an Interest Only payment at the closing of the loan and during the construction phase of the project.

Once the work is completed, the Purchase / rehab loan is refinanced or modified to the final 'end' loan that the Buyer wants to have.



**A Federal Savings Bank**

**For More Information, Call Today!**

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