

HomeStyle®

A loan that allows the borrower to Purchase or Refinance a home and make renovations with only one closing!

- Money for Renovations is included in the loan, with flexibility for major structural/specialized renovations or smaller less complicated projects.
- Final loan amount and LTV based on post-renovation property value (a/k/a the "As Completed" Appraised Value).
- Renovation work must begin no later than 30 days after loan closing, and must be completed within 180 days of the closing date.
- REMN handles payments to the contractor (called draws) from the renovation monies held in an escrow account.
- Loans are approved and cleared to close via 2 simultaneous processes:
 1. The standard Conventional Income, Asset, and Credit Underwriting and Approval by a REMN Underwriter
 2. Renovation Work, Contractor Validation and Approval by REMN's Renovation Concierge Desk

- Purchase and Refinance: FICO Scores 680+ with no additional overlays; 620-679 Max DTI 45%, 3 months reserves required.
- 1 Unit Residential Properties, Condominiums, PUD's, and Manufactured Homes (no multi-unit properties).
- Maximum Renovation costs are \$150,000 to include Labor and Materials Costs, Contingency Reserves, Permits/Inspections (if required), Title Update Fee and any Discount Points.
- No minimum dollar amount for Repairs or Renovations.
- Primary Residences, Second Homes, and Investment Properties.
- Manual underwriting not allowed.
- Max 90% LTV.

What is a FNMA HomeStyle® RENOVATION LOAN

FNMA HomeStyle® RENOVATION LOAN – Additional Details



HomeStyle®

RENOVATION

HomeStyle® is a registered trademark of Fannie Mae.

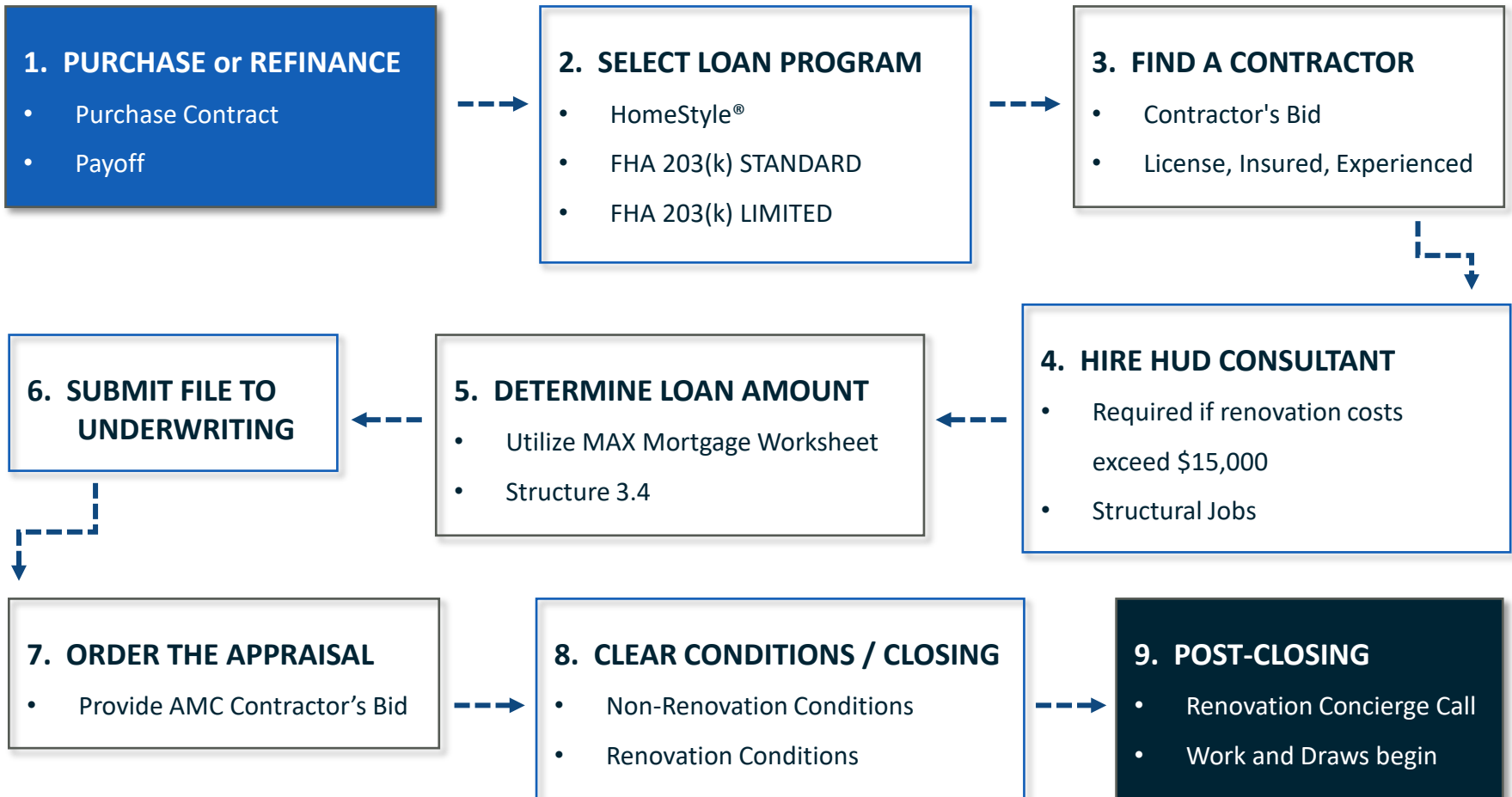
RENOVATION LOAN COMPARISON MATRIX

	HomeStyle®	FHA 203(k) LIMITED	FHA 203(k) STANDARD
Scope of work	Renovation projects both small and large are Acceptable	Smaller cosmetic renovation projects with a limited budget	Larger and more complex projects with fewer limitations on scope
Minimum Project Size	No minimum repair requirement	No minimum repair requirement	Minimum project size is \$5,000
Maximum Repair Amount	\$150,000	Limited to a Maximum of \$35,000 including certain other Fees related to the project	\$150,000
Is a HUD Consultant Required?	A HUD Consultant is required if repairs exceed \$15,000	A HUD Consultant is typically not required unless the work is highly specialized and warrants the use of a Consultant	A HUD Consultant is required
Escrow allowed for Mortgage Payments?	Permitted for up to 6 months of payments if the house is deemed uninhabitable due to renovations/repairs	Not permitted	Permitted for up to 6 months of payments if the house is deemed uninhabitable due to renovations/repairs



	HomeStyle®	FHA 203(k) LIMITED	FHA 203(k) STANDARD
ELIGIBLE REPAIRS Exterior Repairs / Replacements, etc.	The same items as the Standard and Limited 203(k) with the addition of the following: fences, decks, landscaping, In-Ground swimming pools, Accessory Units (ADUs) that meet FNMA requirements	Roof, gutters, down spouts, exterior painting, existing wells, existing septic, existing driveway, existing fencing, pool repairs, decks, patios and porches, structural repairs & construction.	Roof, gutters, down spouts, exterior painting, lead paint remediation, accessibility improvements for people with disabilities, mold remediation, window & door replacement, pool repairs.
ELIGIBLE REPAIRS Interior Repairs / Replacements, etc.	The same items as the Standard and Limited 203(k) with the addition of some luxury items (call your Account Executive for details).	Flooring, interior painting, kitchen & bath remodeling, storm windows & doors, insulation, weather stripping, purchase & installation of appliances, basement finishing/remodeling & waterproofing, mold remediation.	Flooring, interior painting, kitchen & bath remodeling, storm windows & doors, insulation, weather stripping, purchase & installation of appliances, basement finishing/remodeling & waterproofing, mold remediation.
	HomeStyle®	FHA 203(k) LIMITED	FHA 203(k) STANDARD
INELIGIBLE REPAIRS	<p>Non-kitchen appliances, tear down & rebuild, accessory units that do not meet FNMA guidelines.</p> <p>NOTE: While there are no specific limitations on the types of renovations as per FNMA, improvements should be permanently affixed to the real property (land or dwelling). Please check with your Account Executive if you have questions regarding your specific renovation project.</p>	<p>Barbeque pits, outdoor fireplaces, hearths, bathhouses, exterior hot tubs, saunas, spas, whirlpool baths, dumbwaiters, photo murals, swimming pool installations, television antennas, satellite dishes, tennis courts, tree surgery, additions or alterations to provide for commercial generators, repairs that do not allow the borrower to occupy the property within 15 days of closing, new construction, relocation of load bearing walls, room additions, repairs of any structural damage, landscaping on-site amenity improvements, repairs that necessitate a consultant to develop a "Specification of Repairs/Work Write-Up", repairs that require plans or architectural exhibits.</p> <p>*Items and improvements that do not become a permanent part of the real property are not eligible.</p>	<p>Barbeque pits, outdoor fireplaces, hearths, bathhouses, exterior hot tubs, saunas, spas, whirlpool baths, dumbwaiters, photo murals, swimming pool installations, television antennas, satellite dishes, tennis courts, tree surgery, additions or alterations to provide for commercial generators.</p> <p>*Items and improvements that do not become a permanent part of the real property are not eligible.</p>

RENOVATION LOAN PROCESS FLOW



CONTRACTOR REQUIREMENTS & PAYMENT TERMS

When choosing a contractor to do the renovations, encourage your customers to...

1. Ask for REFERRALS
2. Look at CREDENTIALS
3. INTERVIEW candidates
4. Check REFERENCES

Contractors are required to provide the following as part of their approval process:

- Proof of Licensing (as required by the state and local municipalities)
- Proof of Insurance (as required by the state and local municipalities)
- 3 Client References

DRAW SCHEDULE

REM N Material Draw

REM N may fund a One Time Initial Material Draw up to the lesser of 10% of the total hard cost of the project, or 50% of the material cost on the work write-up. The material draw is released in the form of a check issued to the borrower and the contractor. A portion of this draw may be used to pay for permits, architect fees, and design or planning expenses that were incurred during the initial part of the project. This One-Time option is intended to assist the Contractor/Borrower with a large material order for items such as Lumber packages, Windows, Cabinets, etc.

Maximum Number of Draws

After the One Time Material Draw, there can be up to a maximum 5 additional draws in an agreed-upon schedule as the project progresses towards completion.

LINKS TO CONTRACTOR GUIDES

DESCRIPTION

<https://www.remnwholesale.com/wp-content/uploads/2020/10/Contractors-Guide-FNMA-HomeStyle-10.27.20.pdf>

ABOUT THE BID

While all bids are required to break out labor and materials costs, the grade of the materials should also be addressed so that there is no confusion (i.e., laminate countertops vs granite countertops).

See sample bid.

BID SAMPLE

56789 Construction Way, Anytown, CA 90000

Borrower name and property address required

License #: 123456
800-222-9999

Proposal #	12345
Proposal Date	3/17/18

Client	Project Location
Mr. & Mrs. Customer	Parcel # 012-987-01 1234 Oak Street Anytown, CA 90000

Detailed itemization required for labor and material

Item	Description	Labor	Material	Contracted Amount
	<i>Detailed description of each item</i>	\$350.00	\$154.00	\$504.00
				\$0.00
Common Line Item questions- Please be detailed, Other questions may apply.				
	▪ Painting Job – Where is the painting being done? How many coats of paint/ primer will be applied?	\$1,200.00	\$625.00	\$1,825.00
	▪ Installing Flooring – What type/grade/finish of flooring? Where will it be installed?	\$6,500.00	\$3,200.00	\$9,700.00
	▪ If you are removing something will it be replaced?		\$85.00	\$85.00
	▪ If you are installing something, where will it go?	\$250.00	\$1,239.10	\$1,489.10
	▪ Kitchen Cabinets – What type/color?	\$250.00	\$1,603.10	\$1,853.10
	▪ Kitchen Counter – What type/finish?	\$3,275.00	\$5,600.00	\$8,875.00
	▪ Sink/Faucet – What type/grade/finish?	\$2,500.00	\$1,250.00	\$3,750.00
	▪ HVAC /Furnace installation – Size/Type being installed?	\$1,000.00	\$500.00	\$1,500.00
	▪ New Appliances – Type/Make/Model/Color	\$650.00	\$150.00	\$800.00
	▪ Demo of Walls – Are they load bearing walls? Permits?	\$450.00	\$35.00	\$485.00
	▪ Drywall – Where is it being installed?	\$350.00	\$50.00	\$400.00
	▪ Outlets – How many being installed? What locations?	\$125.00	\$100.00	\$225.00
	▪ Shingles – What type of shingles?	\$125.00	\$100.00	\$225.00
	▪ Water Damage – Location? What is the source of the water damage? Is it fixed? Will it be fixed?	\$250.00	\$200.00	\$450.00
	▪ Door Installation – Location? What grade door? Hollow door or Steel?	\$250.00	\$200.00	\$450.00
	▪ Carpet – What rooms? Please include the grade of carpat.	\$125.00	\$100.00	\$225.00
	▪ Lights – Location of installation? What type?	\$125.00	\$100.00	\$225.00
	▪ Siding – Type? Location?	\$125.00	\$100.00	\$225.00
	▪ Molding – Type? Location?	\$1,500.00	\$550.00	\$2,050.00
	▪ Plumbing – What specifically are you doing and what type of material? Hold and Cold water lines? Toilet, tub, shower lines? Etc.			\$0.00
		\$850.00	\$450.00	\$1,300.00
	<i>If any permits please list them in seperate line item and describe what they are for</i>		\$450.00	\$450.00
	Total		\$37,466.20	

There are no structural repairs being completed on this bid

Represents total

MMW COMPLETION VIDEO TUTORIALS

DESCRIPTION

- HomeStyle® (Purchase): <https://youtu.be/rSFzmtuvmXo>
- HomeStyle® (Refinance): <https://youtu.be/sJs0B20BJcM>

ORIGINATING YOUR FIRST LOAN

HOW TO GET STARTED

- 1 Get ballpark idea of work
- 2 Get estimated \$ amount
- 3 Get estimated After-Improved value
- 4 Call your REMN Account Executive to discuss

REQUIRED ITEMS FOR HOMESTYLE® SUBMISSION

1. MMW
2. Contractor's Bid or Consultants Report IF REQUIRED
3. Contractor's License
4. Reno Questionnaire - <https://www.remnwholesale.com/wp-content/uploads/2020/10/Contractors-Guide-FNMA-HomeStyle-10.27.20.pdf>

ADDITIONAL USEFUL INFORMATION

Want more information on the basics of a HomeStyle® Renovation loan?

Check out this video!

<https://www.youtube.com/watch?v=RuqYqMn9vec>

Need some help getting started? Complete our Renovation Loan Questionnaire and we'll talk you through it!

<https://www.remnwholesale.com/reno-questionnaire/>

Link to HomeStyle® Renovation Loan Disclosures including the Maximum Mortgage Worksheet

https://www.remnwholesale.com/available_products/homestyle/

The contractor plays a very important role in the success of any renovation loan.

Get the contractor heading in the right direction with our HomeStyle® Contractor's Guide.

<https://www.remnwholesale.com/wp-content/uploads/2020/10/Contractors-Guide-FNMA-HomeStyle-10.27.20.pdf>

Refer to full product guidelines accessible on the REMN Wholesale website located at www.remnwholesale.com