



One-Time Close  
New Construction Financing

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NMLS #MLO27445

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Direct Finance Corp, is a mortgage broker that arranges, but does not make  
loans. NMLS MB 1535 781-878-5626

# *Program Overview*

- Construction-to-Permanent loans for the purchase of modular, and site-built homes under the One-Time Close program.
- The One-Time Close program provides construction financing, lot purchase and permanent loan all wrapped into one product.
- No need for re-qualifying, re-appraising, or incurring additional closing costs.

# *Construction Time Frame*

- Allowable construction timeframes are subjective and determined based upon construction type, geographic region, etc.
- Eight months is the maximum construction timeframe, however scenarios will be assessed on a case by case basis by NCF. For example, if a Modular Home is going to take six months or Site-Built eight months in the northern part of the US during the winter, then this may be considered acceptable. Likewise, a Manufactured home taking five months in Florida, this would be questioned and require more information prior to final decision
- Unfortunately there is no one-size fits all, allowable construction timeframes are subjective and determined based upon construction type, geographic region, etc.

# ***The Process (One-Time Close)***

## Three Stage Process

1. Builder Approval & Loan Calculation
1. Credit Underwriting
1. Construction Underwriting

## ***STAGE 1: BUILDER APPROVAL AND LOAN CALCULATION***

- Builder/Retailer Summary Application
- Contractor's Performance Agreement
- Disbursement Instructions
- Copy of Contractor's/Dealer's State License
- Evidence of General Liability Insurance
- Evidence of Worker's Compensation Insurance
- Evidence of Dealer's Open Lot/Builder's Risk
- Builder's Risk Insurance (Site-Built only)
- Most recent two years tax returns (Site-Built only)
- Year-to-Date profit & loss statement and current balance sheet (Site-built only)
- Executive Summary providing an overview of experience (Site-Built only)

# ***STAGE 1: BUILDER APPROVAL AND LOAN CALCULATION***

## **Step 2**

- Obtain a “Preliminary” Contract/Purchase Agreement from the Retailer/Builder
- This provides a base price for the home/land and any additional costs or credits

## ***STAGE 1: BUILDER APPROVAL AND LOAN CALCULATION***

### **Step 3**

- Obtain Builder's/Retailer's home improvement costs with Home Improvement Cost Checklist or provide retailer's own write up
- Needed to itemize both soft and hard costs associated with the construction

# ***STAGE 1: BUILDER APPROVAL AND LOAN CALCULATION***

## **Step 4**

Gather the following:

1. Preliminary contract
2. Home Improvements Costs Worksheet
3. Initial Fees Worksheet
4. Loan Calculation Request Form (example on right)

...and send to: [mike@dfcmortgage.com](mailto:mike@dfcmortgage.com)

Submitting these will determine what the loan amount and purchase price will be. We will do the calculations for you.



# ***STAGE 1: BUILDER APPROVAL AND LOAN CALCULATION***

## **Step 5**

You will receive:

Calculation Results Forms:

- A. Loan Information Sheet
- B. Individual Deal Worksheet
- C. Construction Cost Breakdown
- D. Purchase Agreement Worksheet

Typical Turn-Time is 48-72 Hours

## ***STAGE 2: Credit Underwriting***

- We submit your full credit package to the lender based upon calculation results.
- Disclosures will then be sent to the borrower
- Loans is submitted to Underwriting for credit approval for the permanent portion of the loan.
- Rates can be locked at anytime and only need to be locked through closing (not through construction).

## ***STAGE 3: Construction Underwriting***

- The broker submits the all the required items from the construction underwriting checklist.
- At this point the lender handling the construction portion of the loan will begin underwriting to complete the loan approval.
- Once the loan is approved by underwriting, there will be conditions that need to be cleared.
- Once all construction conditions and permanent financing conditions are cleared, the loan will be moved to closing within 72 hours.

## ***STAGE 3: Construction Underwriting***

### **Closing**

- At the closing the Land Seller or the mortgage will be paid off with the initial draw.
- There is no initial draw to the Retailer/Builder at the closing before any work is in place.
- After a three business day cooling period, the Builder/Retailer can be reimbursed for any site permit related expense with notification/documentation
- For modular only: provided the home has been built, a factory invoice in place, and acceptable property coverage is in place, the Retailer may request that the factory or floor-plan source be paid the invoice cost of the home as well. This does not count towards the Retailer's three draws

## ***STAGE 3: Construction Underwriting***

### **Post-Closing / Construction Begins**

- A Letter of Commencement will be sent to the Builder/Retailer informing the Retailer the loan has closed and construction can begin
- This letter details again the instructions on how and when to request the draws
- The lender will also at this time provide to the Builder/Retailer a list of specific items and forms that will be required to be submitted prior to the release of the final draw

## ***STAGE 3: Construction Underwriting***

### **Construction Complete**

#### **Construction to Permanent Rollover**

- When all funding requirements have been met and received the lender will then forward final Disbursement Instructions to the Settlement Agent for disbursement of the final draw to the Builder/Retailer and all remaining obligations
- Once all funds have been fully disbursed, the file is complete. The borrower(s) will begin making their payments on the date established



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