

F R E Q U E N T L Y A S K E D Q U E S T I O N S

What is SmartClose?

This loan combines into one loan and one closing: an interim construction loan to build a home plus the permanent financing.

Why do SmartClose?

- One application: no credit updates or re-qualifying. No hassle of collecting paperwork again when the home is completed.
- One closing: close before construction begins for “worry-free” financing.
- No worrying about employment or credit glitches that could happen during the construction phase.

What is the down payment and what are financing programs available?

- Down Payment is based on the appraised value of the lot and the sales contract as well as any improvements, such as swimming pool.
- Financing Programs available: 95% up to \$650,000.
- Fixed rate, Adjustable and 80-10-10 programs are available for Permanent Financing.

What are the payments during the construction period?

- 100% of interest is paid by Trendmaker during “our construction period” of your Trendmaker home.
- Trendmaker will pay pro-rata portion of HOA and property taxes during “our construction period” of your Trendmaker home.

What is the time period offered for the SmartClose?

Up to 12 months so your buyer has more time to sell their current home. (May not apply if Lock program is selected)

Can I lock the interest rate on the permanent loan before the home is completed?

- Yes. Ability to Lock in permanent interest rate on 30-year fixed rate loan, with opportunity for a one-time float-down option ... at no cost to buyer.
- Other programs available.

Can I lower the loan amount when the new home is ready?

The compelling point of this program is that we can start the home with minimal out-of- pocket costs. If elected, additional principal reduction may be made at the time of modification.

F I N A N C I A L L O A N C O M P A R I S O N S

Conventional Purchase

1. Earnest money out-of-pocket until the completion of home and closing.
2. No Payments start until home is completed.
3. Underwriting guides or buyer’s financial picture could change and affect approval when home is completed.
4. No control over interest rates during construction-could create second thoughts or buyer’s remorse if rates continue upwards.
5. Have a current home to sell BEFORE new home is completed.

Trendmaker’s Smart Close

- Issue:** Minimum 5% down before building begins.
- Response:** Funds could come from 401k, bank accounts, or equity in hand.
- Issue:** “Interest only” payments during construction.
- Response:** Paid by builder during home construction.
- Issue:** Approved and closed before home is started
- Response:** Peace of mind: the loan is completed with no re-qualifying.
- Issue:** Construction and Permanent financing locked up to 12 months.
- Response:** If Lock Program selected - Rate is locked w/one time float down to a possible better rate at time of modifying.
- Issue:** 12-month construction period provided
- Response:** Buyer has a full 12 months to sell their current home. When new home construction is completed, buyer has additional months to sell their current home. May not apply to Lock rate program.