

Your Guide To Design Build

DESIGN BUILD IN 5 STEPS

Plan



Start with a consultation with our team to discuss your vision, budget, and timeline. Together, we'll explore your needs and design preferences to bring your dream home to life.

STAGE
01

Select



If you haven't already acquired land, our team can help you choose from our selection of prime plots to find the perfect one for your custom home.

STAGE
02

Design



Collaborate with our architects to select or create designs that align with your desires and the characteristics of your chosen plot.

STAGE
03

Permit



Finalize the design with our team, then let us handle obtaining the necessary approvals and permits, ensuring coordination with local authorities for compliance.

STAGE
04

Build



With all approvals in place, we begin construction, managing the entire process, scheduling, supervising work, and ensuring quality until your home is completed.

STAGE
05

FINANCING YOUR CUSTOM HOME

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HARVEST RIVER PARTNERS
REAL ESTATE DEVELOPMENT • CONSTRUCTION



One-Time Close Program

Harvest River Partners, in collaboration with our trusted lending partners, is pleased to offer construction permanent loan financing to our customers. This one-close program simplifies the financing process with a single closing for your convenience. At this closing, customers will sign documents for both the construction phase and the permanent loan. During construction, borrowers will make interest-only payments, which may include PMI and escrow, if applicable. Once the home is completed and all construction funds have been disbursed, the loan will transition from interest-only payments to regular payments of principal, interest, PMI, and escrow, as applicable. The interest rate is locked at the time of loan closing, ensuring no surprises regarding your rate at the end of construction.

harvestriverpartners.com

Program Details

- **Convenient One-Time Closing:** This program allows for a single closing, potentially saving thousands in loan costs. Borrowers sign all necessary documents for both construction and permanent phases at this time.
- **Flexible Term Options:** Offers fixed-rate terms of 30, 20, and 15 years, along with adjustable-rate mortgage (ARM) options. Rates are lockable upon approved application and remain constant throughout the construction phase and into the permanent loan period.
- **Low Down Payment Options:** Minimum down payments as low as 5% or up to 95% loan-to-value (LTV) for loans up to \$970,800. For LTVs over 80%, an additional 5% down is required. Financing options extend up to 90% LTV for loans up to \$1.5 million with a 680 credit score and PMI.
- **Utilization of Lot Equity:** Borrowers can use lot equity as part of their down payment, dependent on the appraised value and the lot's given value.
- **Construction Period Flexibility:** Standard construction period of nine months, with the possibility to extend up to 12 months on a case-by-case basis.
- **Underwriting Standards:** Borrowers must qualify under the credit union's underwriting guidelines, which include standard documentation of income and assets, plus specific requirements like cost breakdowns and builder contracts.
- **Builder Requirements:** Sweat equity by homeowners is not allowed; all construction work must be performed by an approved builder.
- **Approved Builder List:** Builders not already approved by the credit union must apply and meet the credit union's standards to be eligible.
- **Funds Management:** The credit union administers all draw requests based on work completion or an approved draw schedule, verified by inspections.
- **Use of Borrower's Funds:** Down payment funds provided by borrowers at closing are utilized before advancing any loan funds.
- **Property Eligibility:** The program is strictly for primary residences.

FAQS

Can I use my own bank?

Absolutely! You are welcome to select us as your builder regardless of your choice of financing. We are committed to delivering high-quality construction services and can work alongside any financial institution that provides your construction loan. Just ensure that your bank or lender acknowledges us as an approved builder as per their requirements. If needed, we can provide all necessary documentation to your bank to facilitate this approval.

What do you provide as my builder?

To ensure a secure and satisfactory construction process, your builder should provide the following documents to the borrower's loan originator during the approval process:

1. **Detailed Cost Breakdown** – This outlines all anticipated costs associated with your project.
2. **Plans and Specifications** – These will include detailed descriptions of the materials to be used and the scope of work.
3. **Signed Builder Contract Agreement** – This formal agreement outlines the responsibilities and obligations of the builder.

What should be included in the Plans and Specifications?

Your builder's plans and specifications should provide detailed information on dimensions, square footage, and materials. Ensure the contract also includes all necessary permits and utility connections such as:

- Yard and Driveway arrangements
- Septic/Sewer systems
- Gas, Water, and Electrical tap-in hook-ups



Your Construction Loan Has Closed What Happens Next?

E-Signing Documents:

When Harvest River Partners is ready to receive funds, both you and our team must electronically sign a Contractor's Affidavit and Waiver of Liens form for each draw request. This form is crucial as it authorizes the release of funds from your loan and ensures clear communication about the progress of your home construction.

Draw Requests and Inspections:

Each signed draw request must be submitted to your Mortgage Construction Specialist for processing. To ensure that the work being completed aligns with the funds being disbursed, Progress Inspection Reports will be ordered from your appraiser.

Location Survey:

A Location Survey will be conducted to confirm that your home is being built within the designated boundaries of your lot.

Title Updates:

Periodic Title Updates are necessary during the construction phase to ensure that no mechanical liens have been placed on your property.

Change Orders and Cost Overruns:

It's important to note that any change orders or cost overruns are the responsibility of the borrower and cannot be added to the loan balance.

Payments During Construction:

Throughout the construction period, you will make interest-only payments. These payments will also include escrow and PMI if applicable, based on the amount of loan funds that have been disbursed.

Conversion to Permanent Financing:

After all draw periods are complete and the final interest-only payment is made, your loan will convert to permanent financing. Your Mortgage Construction Specialist will provide you with the details for the final payment.

Communication:

For any questions or clarifications throughout the process, your Mortgage Construction Specialist is available via phone or email. Make sure to maintain open lines of communication to address any issues or concerns promptly.