

TRUE ONE-TIME CLOSE CONST/PERM LOAN WITH STAGED FUNDING

Presented By



**NATIONAL CAPITAL
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HOW TO SUBMIT A 1X CLOSE LOAN

A STEP-BY-STEP GUIDE FOR ORIGINATORS & PROCESSORS

True One-Time Close Program with Staged Funding

How to Submit a 1x Close Loan

General Description of Program

NCF provides interim financing and administration for true one-time close staged funded construction-to-permanent loans designed for manufactured and modular housing. NCF's construction administration service allows Permanent Lenders with which we have an alliance to offer their Brokers and Originators this very unique loan product.

The Permanent Lender underwrites and approves the permanent loan before the construction begins. National Capital Funding, Ltd. underwrites and approves the construction portion of the loan. When all conditions for closing are cleared, other than the final construction related conditions, NCF will help coordinate the closing.

The loan is closed in the Permanent Lender's name and in certain instances the Permanent Lender will require it to close in the Mortgage Broker's name. NCF's closing documents include the documents for the construction loan, as well as, the documents for the permanent loan.

Since the permanent loan is closed before construction begins, **there is no "requalifying" of the borrower when it is time for conversion of the construction loan to the permanent loan.** Therefore, the risk the Builder/Retailer has on a "2x close" or construction/permanent loan with a "modification" close at the end of construction, where the borrower may not get final approval for the permanent loan after construction is complete is eliminated. Also, since this is a true one-time close, the Borrowers will not need to return to the title company when the construction is complete. There is not a second closing or a "modification" close with our program.

Steps Involved and their Proper Order:

1) **Submit the One-Time Close Calculation Request Form to National Capital Funding, Ltd. (We do all the MATH for you!)**

- **Note: You must submit your request to NCF prior to submitting the loan to the Permanent Lender for credit underwriting.**
- [Calculation Request Form](#) available via the [Forms](#) page of website at www.ncfunding.net
- Submit by fax to 281.537.5698 or by e-mail to request@ncfunding.net. Please include with your submission a breakdown of fees (e.g., Initial Fees Worksheet or similar) associated with your side of the transaction. (e.g., processing, appraisal, origination, discount, flood certificate, credit report, survey, etc.)
- Upon receipt, NCF will input the information and if with a title company that we have not worked with before, we will contact them to explain our 1x close loan and draw process and get their fees based on that conversation. Once complete we will e-mail the NCF Calculation Results back to you.
- The NCF Calculation Results we send back to you will aid in the structure of the purchase agreement and loan amount based on the costs and expected net to the Builder/Retailer in the transaction. Included in the results will be the following forms:

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- a. **Construction/Permanent Loan Information Sheet:** this is a summary of the transaction detailing how the purchase agreement price was arrived, acquisition cost, loan amount needed, cash needed to close, etc.
 - b. **Individual Deal Worksheet:** this is a breakdown of every fee and cost used to arrive at the results. This is used primarily for helping you complete your GFE properly.
 - c. **Mfg/Modular Home Construction Cost Breakdown:** pre-filled with the contract information and ready to be completed and signed by Retailer
 - d. **Example Purchase Agreement/Form 500:** pre-filled as the contract should be shown and is used as an example to aid the Retailer in completing their own contract.
- Typical Calculation Request turnaround time is same day if received prior to 3:00PM CST. Expect turnaround time to be longer on deals with title companies we have yet to work with and therefore, must call to explain our process and get their fees as described above.

What if I need changes made to NCF Calculation Results that have already been sent to me?

If at anytime the fees/costs used change, please notify NCF at request@ncfunding.net what costs have changed so that we can update the calculation results based for you. One minor change can affect everything, so it's imperative that changes be made before you get too far along in the deal. **You do not need to resubmit a new Calculation Request Form when changes are needed,** just detail in an e-mail or fax what items you need changed. Updates to the results can usually be made quickly and resent to you.

2) Submit the Credit Underwriting Loan Package to the Permanent Lender

- The loan is to be submitted to the Permanent Lender **based on the NCF Calculation Results.** The Permanent Lender will not underwrite the file until they've received the Calculation Results from you. NCF is more than willing to help and guide you with the proper completion of your 1003 and GFE prior to submitting to the Permanent Lender, if you need any assistance.
- Please follow the instructions by the Permanent Lender on how to submit a file.
- Many Permanent Lender's have a specific product code for this program, please be sure to use the correct product code to prevent delays in underwriting with the Permanent Lender.

3a) Submit the Construction Underwriting Loan Package to NCF

- **Note: This submission package is different from the package that you submitted to the Permanent Lender for credit underwriting.**
- Once you are comfortable that the loan will be approved by the Permanent Lender, then you'll want to go ahead and work on putting the construction underwriting submission package together to submit to NCF.
- **We ask that you do not submit the package to us for construction underwriting until you're only missing 5 items or fewer from our Construction Underwriting Submission Checklist.** It doesn't save any time if you're missing more than that.

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- [NCF Submission Checklist and Forms Packet for Mfg/Modular Homes](#) is available on the [Forms](#) page of our website
- Send the processed construction submission file to our office via
 - E-mail: underwriting@ncfunding.net, or
 - Via overnight delivery to
National Capital Funding, Ltd.
Attn: Construction UW Dept.
14405 Walters Rd, Suite 350
Houston, TX 77014
Phone: 281.537.0073
- The appraisal must be e-mailed to appraisal@ncfunding.net
- Upon review, NCF's Construction Underwriting Analysis with any outstanding conditions will be issued and sent to you via e-mail
- Typical Construction Underwriting turnaround time is 24 hours.

3b) Submitting Construction Underwriting Conditions to NCF

- All construction underwriting conditions after the loan has been construction underwritten are to be sent via e-mail to underwriting@ncfunding.net or via fax to 713.456.2711
- Typical Conditions Review is same day if received prior to 3:00PM CST

4) Permanent Lender Issues “Clear to Close”

- All non-construction related conditions should be signed off and cleared by the Permanent Lender prior to NCF issuing our Construction UW “Clear to Close”. It's your responsibility to clear conditions directly with the Permanent Lender.
- In most cases, once the Clear to Close has been issued by the Permanent Lender, you will then be required to move the file from the Permanent Lender's Underwriting Dept. to their Closing Dept. per the requirements of the Permanent Lender.
- In most cases, once the file has been received by the Permanent Lender's Closing Dept. they will prepare and send to NCF the Doc Prep Worksheets.

5) NCF has Closing Docs Prepared

- Upon receipt of the Doc Prep Worksheets from the Permanent Lender's Closing Dept. and all “Prior to Closing Doc Prep” Construction Underwriting Conditions have been cleared, NCF will submit our order for the preparation of the Closing Documents.
- **At least 72 hours will be required from this point until Closing actually takes place.** This time requirement allows for closing docs to be prepared, reviewed, sent to title at least 24 hours in advance of closing as most title companies require, and the preparation of the HUD-1 so funds can be ordered for closing.

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6) Closing

- NCF will work directly with the Settlement Agent to achieve a final HUD-1. Once complete NCF will send out for review to the Permanent Lender and upon approval by the Permanent Lender we will be able to order funds for the closing.

7) Post-Closing/Construction Begins

- After closing, NCF works directly with the Builder/Retailer for all draws and the collection of the final construction related conditions from the Permanent Lender's approval. As per our agreement with each Permanent Lender we work with, they will be looking for the final construction related items from us, not from you. Therefore, this service allows you to work on closing your next loan, rather than spending your time with draws or the collection of those construction related items.

8) Construction Complete/Conversion to Perm

- Once construction is complete and NCF has received all of the required construction related conditions from the Builder/Retailer, NCF will submit to the Permanent Lender for funding of the Permanent Loan. **There is not a second closing or a modification close.**
- Once confirmation has been received by NCF that the Permanent Lender has funded the loan, NCF will forward to the Settlement Agent the Final Disbursement Instructions and work directly with the Settlement Agent on making the final disbursements.

Should you have any questions about the flow or the process, please contact us.

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