



# NATIONAL CAPITAL FUNDING, LTD.

## 1 X CLOSE W/STAGED FUNDING TRAINING PACKAGE

Please print this complete package of items prior to your training with NCF.

### Training Overview

Introduction and Quick Overview of NCF's 1x Close Const/Perm Program

Step #1: Submit **Calculation Request Form** to NCF.

- NCF's Calculation Results will aid in the proper structure of the purchase agreement and loan amount. We take care of the "math" for you!
- This vital step is required to be completed prior to submitting a credit underwriting package to the Permanent Lender.
- Form available at [www.ncfunding.net/ncfonlineforms](http://www.ncfunding.net/ncfonlineforms) under *Loan Originators/Processors*

Step #2: Prepare and submit Credit Underwriting Submission Package to Permanent Lender based on NCF Calculation Results.

Step #3: Prepare and Submit Construction Underwriting Submission Package to NCF.

- **NCF Builder/Retailer Approval Packet** available at [www.ncfunding.net/ncfonlineforms](http://www.ncfunding.net/ncfonlineforms) under *Builders/Retailers*
- **NCF Submission Checklist and Forms Packet for Mfg/Modular Homes** available at [www.ncfunding.net/ncfonlineforms](http://www.ncfunding.net/ncfonlineforms) under *Loan Originators/Processors*

Step #4: Closing

- NCF will have closing documents prepared and will send to the title company.
- NCF works directly with the title company to prepare the HUD-1 and fund the initial draw.

Step #5: Construction of Home

- Builder contacts NCF directly for interim draws.
- During construction, NCF will be collecting all of Permanent Lender's construction related funding conditions enabling the Originator and Processor to focus their attention on closing their next loan.
- Up to 3 interim draws available after closing on Manufactured/Modular Homes

Step #6: Construction to Permanent Rollover

- No one returns to the title company for a 2<sup>nd</sup> or a "modification" close!
- NCF provides the remaining construction related conditions to the Permanent Lender to help ensure a quick and smooth funding.



# NATIONAL CAPITAL FUNDING, LTD.

14405 WALTERS ROAD, SUITE 350, HOUSTON, TEXAS 77014  
(281) 537-0073 • FAX (281) 537-5698  
WWW.NCFUNDING.NET

## One-Time Close Program with Staged Funding Overview

**General Description:** NCF provides interim financing and administration for true one-time close staged funded construction-to-permanent loans designed for manufactured, modular, and site-built 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. Because 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. This is a true one-time close, therefore, the Borrowers will not need to return to the title company when the construction is complete.**

**Max/Min Loan Amounts:** Determined by the Permanent Lender.

**Types of Loans:** FHA and Conventional

**Eligible Properties:** New Manufactured Homes and Modular Homes. The program is not currently available for Site-Built Homes.

**Occupancy Type:** Owner-Occupied

**Payment of Interest/Fees:** In most cases the estimated construction interest, construction administration fee, construction underwriting fee, construction closing fee, and construction inspection fees (all are recognized as Construction Soft Costs) charged by National Capital Funding, Ltd. will be included in the Retailer/Builder's price of home. Construction Soft Costs do not count towards maximum Builder/Seller concessions to the Borrower.

**Interim Interest Rate:** Currently, it is the greater of 10.5% or 4 percentage points above the prime rate. Interim interest only accrues on funds disbursed, not the full loan amount.

**Interim Fees:** Construction Administration Fee is 2.25% of Loan Note amount. Construction Underwriting Fee is \$250 per loan. Construction Closing Coordination Fee is \$275 per loan. Construction Inspection Fees are \$300 for manufactured/modular homes.

**Training Package  
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**Legal Documents Preparation:** One-time close documents are provided through National Capital Funding, Ltd.

**Builder Completion:** Retailer/Builder must provide and be responsible for turnkey completion services. Borrower cannot be responsible for any construction items. Therefore, the Retailer must act as the General Contractor.

**Draw Schedule:** At loan closing, National Capital Funding, Ltd. will fund closing costs, construction soft costs, land payoff (if applicable), and manufactured/modular home manufacturer's invoice on Retailer's unit cost (upon request prior to close and provided the unit is offline, a factory invoice is available, and the proper insurance coverage is in place). All construction draws are based on the "line-item percentage of completion" method. Funds are only released for work in place and/or for the manufacturer's unit invoice. A minimum of 20% of the contract on manufactured/modular deals will be funded upon completion of construction at the final draw.

**Draw Requests:** Requests by the Retailer/Builder are made by phone/fax/e-mail to National Capital Funding, Ltd. The maximum allowable number of draws is 3 for manufactured/modular housing. Upon receipt of a draw request we will have an independent inspection firm inspect the property and return to us photos and a report with the percentage of completion of each improvement item shown on the Construction Cost Breakdown/Line-Item Draw Schedule. We will match that inspection with Builder's Construction Cost Breakdown/Line-Item Draw Schedule to determine the draw amount. Please see the Construction Draw Disclosure for details on what stage of completion draw requests can be made. All funds will be disbursed directly to Retailer/Builder, other than the manufactured/modular home unit invoice, which will be paid directly to Manufacturer/Floorplan Financing Source. We do not disburse to individual subcontractors.

**Final Survey:** Retailer/Builder is required to furnish a final survey of the property showing completed improvements prior to final draw provided the Closing Agent and/or Permanent Lender require this survey. This cost is to be included in the Construction Cost Breakdown/Line-Item Draw Schedule.

**Borrower Payments:** The Borrower's loan payments do not begin until after construction is complete.

**For further information, please visit our website at [www.ncfunding.net](http://www.ncfunding.net)**



# NATIONAL CAPITAL FUNDING, LTD.

## ONE-TIME CLOSE CALCULATION REQUEST FORM

\*Please include a GFE or a list of your fees with this request\*

Originator's Company: XYZ Origination Firm Originator: LO/Processor

Phone: (123) 456-7890 E-mail: (to send Calculation Results)

Permanent Lender: Perm Lender in Alliance with NCF

Title Company/Settlement Agent: NCF Approved TC

Contact Person: Closer Phone: (123) 456-7891

Retailer/Contractor: ABC Retailer

Borrower(s): Joe Homebuyer

Property Address: 123 Main Street

City: Any City County: Any County/Parish State: TX Zip: 12345

Manufactured  Modular  Site-Built Anticipated Dates: Closing 7/15/09 Completion 9/30/09

Base Home Sales Price: \$ 72,400.00

Cost of Improvements: \$ 20,000.00

Land Cost (or Payoff if Owned): \$ 20,000.00

**NOTE:** Please include any Sales Tax or Excise Tax in the Base Home Sales Price that the Retailer/Builder will incur.

Please do not include in these figures any anticipated Builder/Retailer Paid Closing Costs or Seller Concessions (including Hazard Insurance or Title Insurance), or Construction Financing Costs.

We recommend the Builder/Retailer use our *Construction Cost Breakdown* form as a checklist in determining their Cost of Improvements.

Does the Borrower(s) currently own the property or is it a gift?  Yes  No (if "No" skip the next 2 questions)

> If "Yes" and the land is being gifted to them or they have owned it longer than 6 months on an FHA loan (or 12 months on a Conv. Loan), what is the Estimated Site Value of the Land? \$ \_\_\_\_\_

> If "Yes" and they have not owned the land longer than 6 months on an FHA loan (or 12 months on a Conv. Loan), what was the Cost at Time of Purchase? \$ \_\_\_\_\_

Total "Out-of-Pocket" by Borrower: \$ 6,000.00 ← Include any Deposits or Cash to Close, but not Land Equity or Trade-In Equity. Net Trade-In Value: \$ \_\_\_\_\_

Perm Interest Rate: 6.500 % Term (months): 360 Appraised Value (if known): \$ 128,000

Loan Type:  FHA  Conventional  RHS If FHA, when was case # pulled? \_\_\_\_\_

Est. Monthly Taxes: \$ 70.00 Est. Monthly Hazard Insurance: \$ 80.00 LTV: 96.500 %

UFMIP: 1.75 % Monthly MI: 0.55 %

Submit completed request and GFE/List of Fees via fax to (281) 537-5698 or via e-mail to [ncf@ncffunding.com](mailto:ncf@ncffunding.com)

**Training Package**



**NATIONAL CAPITAL FUNDING, LTD.**

14405 Walters Road, Suite 350  
 Houston, Texas 77014  
 (281) 537-0073 ■ Fax: (281) 537-5698  
 www.ncfunding.net

**Construction to Permanent  
 Loan Information**

**Borrower(s):** Joe Homebuyer  
**Property Address:** 123 Main Street, Any City, TX 12345  
**Loan Originator:** XYZ Origination Firm  
**Retailer/Builder:** ABC Retailer

Given the Following Information...	
Type of Home	Manufactured
Type of Loan	FHA
Currently Own Land?	No
<b>Hard Costs:</b>	
Base Home Sales Price	\$72,400.00
Cost of Improvements	\$20,000.00
Land Cost/Payoff	\$20,000.00
<b>TOTAL HARD COSTS:</b>	<b>\$112,400.00</b>

Loan-to-Cost	96.500%
Loan-to-Value	94.238%
Appraised Value	\$128,000.00
Max Builder/Seller Concessions	\$7,500.00

Details of Transaction (VII. on Form 1003)	
a. Purchase Price	\$125,000.00
b. Alterations, improvements, repairs	Included
c. Land (if acquired separately)	Included
d. Refinance (incl. debts to be paid off)	N/A
e. Est. Prepaid Items	\$1,946.42
f. Est. Closing Costs	\$7,177.64
g. PMI, MIP, Funding Fee (UFMIP)	\$2,110.94
h. Discount (if Borrower will pay)	N/A
i. Total Costs (add items a through h)	\$136,235.00
j. Subordinate Financing	N/A
k. Borrower's CC paid by Seller/Builder	\$7,500.00
l. Other Credits (explain):	
Land Equity	\$0.00
Trade-In	\$0.00
Other	\$0.00
m. Base Loan Amount	\$120,625.00
n. PMI, MIP, Funding Fee financed	\$2,110.00
o. Total Loan Amount (add m & n)	\$122,735.00
p. Cash from Borrower	\$6,000.00

Breakdown of Builder's Contract Price	
Base Home Sales Price	\$72,400.00
Cost of Improvements	\$20,000.00
Borrower's CC & Prepays Pd by Builder	\$7,500.00
<i>Prepays: \$1946.42 Discount: \$1227.35 CC: \$4326.23</i>	
Builder's/Seller's Closing Costs	\$0.00
Construction Soft Costs	\$3,586.53
Estimated Construction Interest	\$1,513.47
<b>FINAL CONTRACT PRICE FOR HOME &amp; IMPROVEMENTS</b>	<b>\$105,000.00</b>
Land Contract Price	\$20,000.00
<b>TOTAL ACQUISITION COST OF THE PROPERTY</b>	<b>\$125,000.00</b>

Retailer's/Builder's Contract Should Read As Stated	
Price of Home	\$85,000.00
Price of Improvements	\$20,000.00
Final Contract Price	\$105,000.00
Comment that Retailer/Builder Agrees to Pay:	
1) Buyer's Closing Costs/Prepays	\$7,500.00

Estimated Total Monthly Payment Breakdown	
Est. Permanent Interest Rate:	6.500%
Term of Permanent Loan:	360
Est. P&I Payment	\$775.77
Est. Mortgage Insurance	\$55.01
Est. Property Taxes	\$70.00
Est. Hazard Insurance	\$80.00
Est. Flood Insurance	\$0.00
<b>EST. TOTAL LOAN PAYMENT:</b>	<b>\$980.78</b>

THIS IS NOT A CONSTRUCTION LOAN APPROVAL

All calculations are based on fee estimates submitted to NCF and are subject to change. For a complete breakdown of all prices/fees/estimates used, please refer to the attached Individual Deal Worksheet.

7/16/09 2:06 PM

# Individual Deal Worksheet

## Settlement Charges (GFE)

### Items Payable in Connection with Loan:

Loan Origination Fee	\$1,206.25
Loan Discount	\$1,227.35
Appraisal Fee	\$400.00
Credit Report	\$30.00
Mortgage Broker Fee	\$0.00
Processing Fee	\$500.00
Underwriting Fee	\$795.00
Wire Transfer Fee	\$40.00
Administration Fee	\$0.00
Funding Fee	\$0.00
Flood Certificate	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
<b>TOTAL:</b>	<b>\$4,198.60</b>

### Title Charges and Government Recording & Transfer Charges:

Closing/Settlement or Escrow Fee	\$300.00
Document Preparation Fee	\$400.00
Notary Fees	\$0.00
Attorney Fees	\$0.00
Title Insurance	\$920.51
Endorsements to Title Policy	\$100.00
Courier/Messenger Fee	\$50.00
Tax Certificates	\$0.00
Abstract or Title Search/Examination	\$0.00
Escrow Waiver Fee	\$0.00
Recording Fees	\$150.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
<b>TOTAL:</b>	<b>\$1,920.51</b>

### Additional Settlement Charges:

Survey Fee	\$550.00
Surrender Title on Mfg Home	\$210.00
Contingency	\$298.53
Other	\$0.00
<b>TOTAL:</b>	<b>\$1,058.53</b>

<b>Mortgage Insurance Premium</b>	<b>\$2,110.94</b>
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### Prepaid Items and Escrow Reserves:

Permanent Per Diem Interest	\$546.42	25 Days @ \$21.86 per Day
Hazard Insurance Premium	\$960.00	
Flood Insurance Premium	\$0.00	
Hazard Insurance Reserves	\$160.00	2 Months @ \$80 per Month
Property Tax Reserves	\$280.00	4 Months @ \$70 per Month
Flood Insurance Reserves	\$0.00	0 Months @ \$0 per Month
Aggregate Adjustment (-)	\$0.00	
<b>TOTAL:</b>	<b>\$1,946.42</b>	

XYZ Origination Firm

ABC Retailer

Joe Homebuyer  
123 Main Street  
Any City, TX 12345

### Miscellaneous Details

Base Home Sales Price	\$72,400.00
Cost of Improvements	\$20,000.00
Land Contract Price	\$20,000.00
Loan-to-Cost	96.500%
Loan-to-Value	94.238%
Type of Loan	FHA
Construction Interest Rate	10.500%
Permanent Interest Rate	6.500%
Amortization Term (Months)	360
Mortgage Insurance Premium %	1.75%
Mortgage Insurance Monthly Premium %	0.55%

### Builder's/Seller's Closing Costs

Tax Service Fee	\$0.00
Title Insurance (Contractor Paid)	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
Other	\$0.00
<b>TOTAL:</b>	<b>\$0.00</b>

### Construction Soft Costs

Construction Administration Fee to NCF	\$2,761.53
Construction Closing Coordination Fee to NCF	\$275.00
Construction Underwriting Fee to NCF	\$250.00
Inspection Fee to NCF	\$300.00
Other	\$0.00
Other	\$0.00
<b>TOTAL:</b>	<b>\$3,586.53</b>

<b>Estimated Construction Interest</b>	<b>\$1,513.47</b>
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### Total Estimated Funds Needed to Close

Purchase Price (+)	\$125,000.00
Est. Prepaid Items/Reserves (+)	\$1,946.42
Est. Closing Costs (+)	\$7,177.64
PMI, MIP, Funding Fee (+)	\$2,110.94
Total Loan Amount (-)	\$122,735.00
CC Paid By Seller/Builder (-)	\$7,500.00
Land Equity (-)	\$0.00
<b>TOTAL EST. FUNDS NEEDED TO CLOSE</b>	<b>\$6,000.00</b>

### Summary Breakdown

Base Home Sales Price	\$72,400.00
Cost of Improvements	\$20,000.00
Land Cost/Payoff	\$20,000.00
Total Prepaid Items	\$1,946.42
Total Closing Costs	\$7,177.64
Mortgage Insurance Premium	\$2,110.94
Total Builder's/Seller's Closing Costs	\$0.00
Total Construction Soft Costs	\$3,586.53
Est. Construction Interest	\$1,513.47
Total Costs	\$127,625.00
Less Cash/Trade-In from Borrower	(\$6,000.00)
<b>Total Loan Amount Needed</b>	<b>\$121,625.00</b>

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**Manufactured Home Maximum Mortgage Worksheet**  
(per HUD Mortgagee Letter 2009-16)

**Borrower:** Joe Homebuyer  
**Address:** 123 Main Street, Any City, TX 12345

<b>Mortgage Amount Based on Total Cost or Itemized Value</b>		
	\$ 105,000.00	+ Cost of Manufactured Home & Improvements ( <i>includes construction hard costs and soft costs</i> )
	\$ 20,000.00	+ Cost of Land if owned less than 6 months or Value, whichever is less. (if owned more than 6 months or received as an acceptable gift, value may be used instead of cost) (Date of acquisition must be verified by the old HUD-1 or other recorded documents)
	\$ 125,000.00	= <b>a. Total Acquisition Cost</b>
	\$ 4,375.00	= <b>b. Minimum Cash Investment</b> (1a. x 3.5%)
<b>1.</b>	<b>\$ 120,625.00</b>	= <b>c. Subtract Minimum Cash Investment from Total Cost or Itemized Value</b> (1a. - 1b.)

<b>Mortgage Amount Based on Maximum Allowable Loan-to-Value Percentages</b>		
<b>2.</b>	<b>\$ 120,625.00</b>	= Lesser of "1a." above <b>OR</b> Appraised Value $\frac{\$ 125,000.00}{x \text{ Factor } 96.50\%}$ (Maximum LTV Percentages)

<b>Mortgage Amount Based on Existing Indebtedness</b>		
	\$ 105,000.00	+ Cost of Manufactured Home & Improvements ( <i>includes construction hard costs and soft costs</i> )
	\$ -	- Less Trade-In
	\$ 20,000.00	+ Land Cost/Payoff
	\$ -	+ Borrower Paid: Discount Points
	\$ -	+ Borrower Paid: Prepays
	\$ 1,624.06	+ Borrower Paid: FHA Allowable Closing Costs
<b>3.</b>	<b>\$ 126,624.06</b>	= Total Payoff Amounts Paid By Borrower

<b>Maximum Insurable Mortgage</b>		
<b>4.</b>	<b>\$ 120,625.00</b>	= Lesser of 1, 2, or 3 above

# Manufactured/Modular Home Purchase Agreement Worksheet

Joe Homebuyer  
Borrower(s) Name

123 Main Street  
Property Address

ABC Retailer  
Retailer/General Contractor

Any City, TX 12345

**Base Home Sales Price** \$72,400.00  
*~ Includes Sales Tax and/or Excise Tax*

**Cost of Improvements** \$20,000.00

**Contractor Paid: Borrower's Closing Costs/Prepays** \$7,500.00  
*~ aka Builder's/Seller's Concessions*

**Contractor Paid: Seller's Closing Costs** \$0.00

**Construction Soft Costs** \$3,586.53  
*~ Costs associated with construction/interim financing*

**Estimated Construction Interest** \$1,513.47  
*~ See "Agreement Regarding Payment of Interest"*

**Total Sales Price of Home and Improvements** **\$105,000.00**  
*~ Must match Form 500/Earnest Money Contract*

**Estimated Net to Contractor/Retailer** **\$92,400.00**

Note: All calculations are based on fee estimates submitted to NCF and are subject to change without notice or liability.

ABC Retailer  
Retailer/General Contractor's Company Name

\_\_\_\_\_  
Authorized Signature of Retailer/General Contractor and Title

\_\_\_\_\_  
Date





# NATIONAL CAPITAL FUNDING, LTD.

## Builder/Retailer Approval Checklist

Builder/Retailer must be approved by National Capital Funding, Ltd. prior to loan closing.

Builder/Retailer: \_\_\_\_\_

\_\_\_\_\_ *Builder/Retailer Summary Application*

\_\_\_\_\_ *Contractor's Performance Agreement*

\_\_\_\_\_ *Disbursement Instructions*

\_\_\_\_\_ **Copy of Builder's/Retailer's State License**

\_\_\_\_\_ **Evidence of General Liability Insurance**

\_\_\_\_\_ **Evidence of Worker's Compensation Insurance** or a brief statement on company letterhead signed by the Builder/Retailer explaining why they may not be required to carry it.

\_\_\_\_\_ **Mfg/Modular Home Retailers: Evidence of Dealer's Open Lot Insurance Policy** reflecting NCF as a Loss Payee. See clause below. Otherwise, a Builder's Risk insurance policy will be required on each deal.

**Loss Payee Clause** on Dealer's Open Lot Insurance Policy must read as follows:  
National Capital Funding, Ltd.  
Its Successors and/or Assigns  
14405 Walters Rd., Ste 350  
Houston, TX 77014

\_\_\_\_\_ **Site-Built Home Builders: Evidence of Builder's Risk Insurance** required on each deal.

*Please complete and submit all items listed above for NCF Approval of Builder/Retailer via e-mail to [tmcknight@ncfunding.net](mailto:tmcknight@ncfunding.net), via fax to (281) 537-5698, or via mail delivery to*

**National Capital Funding, Ltd.  
14405 Walters Road, Suite 350  
Houston, TX 77014-1320  
Phone: (281) 537-0073**



# NATIONAL CAPITAL FUNDING, LTD.

## Construction Underwriting Submission Checklist for Manufactured/Modular Homes

Borrower(s) \_\_\_\_\_

\_\_\_\_\_ *NCF Construction Loan Registration Form*

\_\_\_\_\_ **Retailer Must Be Approved by NCF:** See *NCF Builder/Retailer Approval Packet* (only need once)

\_\_\_\_\_ **Permanent Lender's Credit Underwriting Approval:** All non-construction related items must be cleared prior to or at closing

\_\_\_\_\_ **Permanent Lender's Interest Rate Lock Confirmation:** Allow enough time for the completion of construction and subsequent funding by the Permanent Lender. Lock extensions with the Permanent Lender are the full responsibility of the Originator/Broker.

\_\_\_\_\_ **Doc Prep Worksheets:** These will be prepared and sent to us by the Permanent Lender's Closing Dept.

\_\_\_\_\_ **Title Commitment, Insured Closing Letter to the Permanent Lender and Wire Instructions**

\_\_\_\_\_ **Property Tax Information** (e.g., Tax Certificate)

\_\_\_\_\_ **Hazard Insurance Binder w/Invoice:** Coverage amount must be acceptable to the Permanent Lender

\_\_\_\_\_ **Final Form 1003 and \*HUD/VA Addendum to URLA (HUD-92900-A)**

\_\_\_\_\_ **Underwriting & Transmittal Summary** (HUD-92900-LT on FHA Loans / Form 1008 on Conventional Loans) **and Good Faith Estimate**

\_\_\_\_\_ **Appraisal:** E-mail to appraisal@ncfunding.net Value \$ \_\_\_\_\_

\_\_\_\_\_ **Land Acquisition Information:** Current Purchase Contract between Land Seller and Borrower(s) or if owned, Copy of Deed and Payoff Statement

\_\_\_\_\_ **Mfg/Modular Home Construction Cost Breakdown** (included with NCF Calculation Results)

\_\_\_\_\_ **Mfg/Modular Home Purchase Agreement Worksheet** (included with NCF Calculation Results)

\_\_\_\_\_ **Purchase Agreement/Form 500 for Home and Improvements** (Land can only be included if Retailer is current owner of Land)

\_\_\_\_\_ **Manufacturer's Invoice for Home w/Serial Numbers and Payoff Information** (when available)

\_\_\_\_\_ **MCO/MSO:** Copy only. (when available) Original is to be sent to Settlement Agent upon payoff of unit(s)

\_\_\_\_\_ **Floor Plan, Sales Brochure, Manufacturer's Specifications:** \*HUD-92005 *Description of Materials* is required on Modular Homes

\* **Structural Engineer Certified FHA Foundation Plans:** Per HUD, the plans must be site specific, stamped by an engineer licensed within the state, and comment that the design meets the HUD Permanent Foundations Guide for Manufactured Housing (9/96 Version) (Mfg Homes Only)

\_\_\_\_\_ **Flood Certificate** and if the property is in a flood plain an **Initial Elevation Certificate** is required

\_\_\_\_\_ **Initial Boundary Survey of Lot** (if required by Permanent Lender and/or Title Company)

\_\_\_\_\_ **Plot Plan signed by Retailer:** Must show proposed placement of Home, Septic, and Well on property and distances between each

\_\_\_\_\_ **Mfg/Modular Home Construction Draw Disclosure**

\_\_\_\_\_ **Mfg/Modular Home Construction Requirements for FHA/RHS Loans**

\_\_\_\_\_ **Disbursement Authorization and Appointment of Agent:** If not executed, borrower's approval will be required for each interim draw

\_\_\_\_\_ **Agreement Regarding Payment of Interest**

\* **FHA Construction/Permanent Loan Disclosure:** Must also be included in the Permanent Lender's HUD Case Binder

\* **HUD-92541 Builder's Certification :** Items 2, 3, 4 and 8 must be marked for a Manufactured Home and items 2 thru 7 for a Modular Home

\_\_\_\_\_ **Permits:** \_\_\_ Building \_\_\_ Well \_\_\_ Septic (when available)

\_\_\_\_\_ **Subcontractor Bids:** \_\_\_ Foundation \_\_\_ Well \_\_\_ Septic (if available)

\_\_\_\_\_ **Copy of Check(s) for Borrower's Deposits to Retailer and/or Land Seller**

\_\_\_\_\_ **AUS Findings**

\_\_\_\_\_ **Credit Report for all Borrowers**

\_\_\_\_\_ **Two Years of W-2s and One Paystub dated within 30 Days of Application**

\_\_\_\_\_ **Two Years of Tax Returns w/ All Schedules and IRS Transcripts of Tax Returns** (if Borrower(s) is/are "Self Employed")

\* **Initial Disclosures:** Initial TIL, Important Notice to Homebuyer (92900b), Informed Consumer Choice Disclosure, and Notice of Assumability

\* **Case Number Assignment Confirmation**

\* **Initial HUD/VA Addendum (92900a)** signed by Lender/Broker and Borrowers.

\* **CAIVRS for all Borrowers**

\* **FHA Loans Only**

*italicized* Forms Available at [www.ncfunding.net](http://www.ncfunding.net)

*Originators/Processors may submit all items above for Construction Underwriting Approval to NCF  
via e-mail to [underwriting@ncfunding.net](mailto:underwriting@ncfunding.net) or via overnight delivery to*

**National Capital Funding, Ltd.**

**Attn: Construction Underwriting Dept.**

**14405 Walters Road, Suite 350**

**Houston, TX 77014-1390**

**Phone: (281) 537-0073**

**Training Package  
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# Manufactured/Modular Home Construction Cost Breakdown

**ABC Retailer**

Retailer/General Contractor

**123 Main Street**

Site Address

**Joe Homebuyer**

Borrower(s) Name

**Any City, TX 12345**

City, State Zip

<b>Improvements Costs:</b> (Each Item <u>MUST</u> Be Noted with either a Budgeted Cost or a designation from the Key)		<b>Cost/Key</b>									
Site Permits		\$ 500.00									
Site Grading & Clearing		\$ 1,500.00									
Structural Engineer's Cert of Mfg Home Foundation Plans (FHA/RHS Loans)		\$ 350.00									
Foundation Type: _____		\$ 4,200.00									
Initial Inspection by FHA Fee Inspector or 10 Year Warranty (FHA/RHS Loans)		\$ 300.00	<table border="1"> <thead> <tr> <th colspan="2">KEY</th> </tr> </thead> <tbody> <tr> <td>EX</td> <td>Existing</td> </tr> <tr> <td>N/A</td> <td>Not Applicable</td> </tr> <tr> <td>LS</td> <td>Land Seller Providing</td> </tr> </tbody> </table>	KEY		EX	Existing	N/A	Not Applicable	LS	Land Seller Providing
KEY											
EX	Existing										
N/A	Not Applicable										
LS	Land Seller Providing										
Termite Treatment (Required on FHA/USDA Loans in most states)		\$ 250.00									
Construction Surveys: Foundation and/or Final (see note below)		\$ 500.00									
Driveway Type: _____		\$ 1,000.00									
Septic System Type: _____		\$ 3,700.00									
Septic Permit and Inspection by Local Authority (FHA/RHS Loans)		INC									
Septic/Sewer Connection to Home		INC									
Water System Type: _____		EX									
Local Authority's Approval of Well (FHA/RHS Loans)		N/A									
Water Tap/Connection to Home		\$ 500.00									
Electric Service to Site		EX									
Electrical Hookup to Home		\$ 1,000.00									
Garage/Carport Type: _____		N/A									
Delivery		\$ 1,600.00									
Setup/Trim Out		\$ 1,500.00									
Perimeter Enclosure Type: _____ No vinyl skirting on RHS Loans		\$ 1,400.00									
Air Conditioning		\$ 1,200.00									
Landscaping		N/A									
Sidewalks and/or Patios		N/A									
Decks and/or Porches		N/A									
Entry Steps		\$ 500.00									
Backfill/Final Grading per HUD Requirements (FHA/RHS Loans)		INC									
Other:		\$									
Other:		\$									
<b>a. Total Improvements Costs</b>	Total Items Above -->	<b>\$ 20,000.00</b>									
<b>b. Base Home Sales Price</b>		<b>\$ 72,400.00</b>									
<b>TOTAL OF BASE HOME SALES PRICE AND IMPROVEMENTS COSTS (a. + b.)</b>		----->	<b>\$ 92,400.00</b>								
<b>CONTRACTOR PAID: Borrower's Closing Costs/Prepays</b>			<b>\$ 7,500.00</b>								
<b>CONTRACTOR PAID: Seller's Closing Costs</b>			<b>\$</b>								
<b>Construction/Interim Financing Costs:</b>											
Construction Administration Fee to NCF		\$ 2,761.53									
Construction Closing Coordination Fee to NCF		\$ 275.00									
Construction Underwriting Fee to NCF		\$ 250.00									
Inspection Fee to NCF		\$ 300.00									
Other		\$									
Other		\$									
<b>TOTAL CONSTRUCTION/INTERIM FINANCING COSTS</b>		Total Items Above -->	<b>\$ 3,586.53</b>								
<b>ESTIMATED CONSTRUCTION/INTERIM INTEREST</b>			<b>\$ 1,513.47</b>								
<b>TOTAL PURCHASE AGREEMENT/FORM 500 CONTRACT AMOUNT</b>			<b>\$ 105,000.00</b>								

*Note:* The Final Survey showing the location of the home on the property is typically required by the Closing Agent in order to issue a final title policy with no survey exceptions. If the Closing Agent and/or the Permanent Lender require the Final Survey, it is the full responsibility of the Retailer/General Contractor to provide it to NCF prior to the release of the final draw.

The Retailer/General Contractor (herein referred to as GC) hereby states that all figures listed on the above Construction Cost Breakdown are true, accurate and represent the total cost necessary to complete the construction of the house described herein. All labor and material including subcontractors have been accounted for and are included in the total price. The cost of items completed by anyone, not in the GC's employ, have been substantiated through written proposals.

GC understands that the above Construction Cost Breakdown will be used as a line item disbursement schedule. GC will be paid for work in place in an amount not to exceed the stated line amount. Any revisions to this cost must be submitted to National Capital Funding, Ltd. for approval. All work completed will be verified through an approved inspection agent. GC understands that the Lender or its assigns is under no obligation to fund the loan until all required conditions have been met.

**ABC Retailer**

Retailer/General Contractor's Company Name

Authorized Signature of Retailer/General Contractor and Title

Date

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# DISBURSEMENT AUTHORIZATION AND APPOINTMENT OF AGENT

*EXECUTION of this DOCUMENT is OPTIONAL*

The undersigned Applicant hereby authorizes approved Title Company to disburse loan advances to \_\_\_\_\_ (General Contractor) during construction of my home located at \_\_\_\_\_ (property address).

The final disbursement, including the retainage, if any, will be made upon execution and delivery of (i) the Affidavit of Completion and Indemnity by Contractor and (ii) the Affidavit of Completion and Acceptance by Applicant.

Applicant hereby appoints Contractor as Applicant's duly authorized agent for purposes of taking any and all actions (including, but not limited to, submissions of requests for loan advances for construction in the manner and on the forms prescribed by National Capital Funding, Ltd.) necessary on Applicant's behalf to obtain advances or draws pursuant to the Loan Agreement, to be executed at closing, between Applicant and Lender.

This appointment shall continue in the event of any subsequent disability of Applicant.

Applicant's appointment of Contractor hereunder may be revoked only by written revocation signed by Applicant, which revocation shall not be effective until received by both Contractor and National Capital Funding, Ltd. at the appropriate address as follows:

Contractor: \_\_\_\_\_

Attn: \_\_\_\_\_

Servicer: National Capital Funding, Ltd.

Attn: Construction Servicing Dept.

14405 Walters Road, Suite 350, Houston, TX 77014

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, to be effective the date of the Loan Agreement.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Co-Applicant's Signature

Accepted:

\_\_\_\_\_  
General Contractor's Name

\_\_\_\_\_  
General Contractor's Signature and Title

National Capital Funding, Ltd.

## Agreement Regarding Payment of Interest

Whereas, the undersigned, \_\_\_\_\_ (General Contractor) and \_\_\_\_\_ [Applicant(s)] anticipate entering into various agreements for the installation and completion of certain improvements (the "Improvements") upon the following described land, (the "Land") to wit:

Whereas, Applicant may enter into and make a loan with \_\_\_\_\_ (Permanent Lender) for the funds necessary to purchase the Land, and install, construct and complete the Improvements on the Land, which Loan will be evidenced by a note (the Note), executed as of the date thereof, by Applicant and payable to Lender, and which Note is secured by Deed of Trust and/or Mortgage covering the Land and the Improvements; and

Whereas, the Loan will provide for draws or advances to be made for payment to the General Contractor of certain progress payments and also for payment of interest due to the Lender during the course of the construction and installation of the Improvements; and

Whereas, under the terms of the contract between the General Contractor and the Applicant for the construction and the installation of the improvements (also known as the Mechanics and Materials Lien Contract and/or Construction Contract, herein referred to as the "Contract"), General Contractor will pay or reimburse the Applicant for the interest payments on the Note during the construction and installation of the Improvements; and

Whereas General Contractor and Applicant wish to evidence their agreement regarding same should they enter into the Contract.

Now Therefore Know All Men By These Presents That:

Applicant will be obligated to pay to the Lender, pursuant to the terms of the Note, the interest as it accrues on the Note.

General Contractor will give Applicant a credit on sums due under the Contract equal to the sums paid by Applicant towards the accrued interest on the Note from the date thereof up to and including the Date of Completion of the Improvements, whether such sums are paid by Applicant direct or through advances under Applicant's Loan. Lender will provide statements to Applicant itemizing the interest advanced during the construction and installation of the Improvements. From and after the Date of Completion of Improvements, the Applicant will continue to pay such interest in accordance with the terms of the Note however; no further credit will be given Applicant by the General Contractor on the sums due under the Contract. Date of Completion of Improvements shall mean the date that the final draw or advance is made to the Applicant/General Contractor under the terms of the Loan.

Nothing herein shall relieve the Applicant from his obligation to the Lender, to pay the interest to the Lender during the term of the Note, and each party hereby acknowledges that this agreement for the payment of interest is an agreement as between only the undersigned.

Executed this the \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
GENERAL CONTRACTOR'S COMPANY NAME

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
GENERAL CONTRACTOR'S SIGNATURE

\_\_\_\_\_  
CO-APPLICANT'S SIGNATURE

# FHA CONSTRUCTION/PERMANENT LOAN DISCLOSURE

FHA Case Number: \_\_\_\_\_

In reference to the contract between \_\_\_\_\_ [Borrower(s)] and  
\_\_\_\_\_ (General Contractor) for a

property to be constructed at \_\_\_\_\_  
(Property Address) the General Contractor agrees that all construction loan costs will be paid by the General Contractor, including (but not limited to) construction loan interest, construction commitment fees, inspection fees, title update fees, real estate taxes during the construction period, hazard and/or builder's risk insurance, and any other financing charges incurred during the construction period, unless specifically stated otherwise in the contract per FHA Mortgagee Letter 92-25 and FHA Handbook 4155.1, REV.4, CHG. 1:2-16 (9-1-95).

Borrower(s) and General Contractor are also aware that once a permanent loan rate is locked with the originating lender/broker there is a maximum number of days (depending on term of locked in rate selected) from the date of rate lock-in to complete construction and convert/modify to a permanent loan. When a rate is locked in for a period of time, and if the FHA clear final inspection is not received, and conversion/modification from construction to permanent loan does not occur during this period of time, the loan must be relocked. Pricing will be the worst of original lock date or relock date. In no event will a relock result in more favorable pricing at the same rate.

## DISCLOSURE

**The above-referenced loan is not eligible for HUD Mortgage Insurance until after either a final inspection or issuance of a certificate of occupancy by a local governmental jurisdiction (whichever is later). Further, the Department of Housing and Urban Development has no obligation until the mortgage is endorsed for Insurance. The lender shall submit such endorsement after final Inspection or issuance of the certificate of occupancy. During construction, HUD does not insure the loan.**

\_\_\_\_\_  
GENERAL CONTRACTOR'S COMPANY NAME

\_\_\_\_\_  
BORROWER'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
GENERAL CONTRACTOR'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CO-BORROWER'S SIGNATURE

\_\_\_\_\_  
DATE

# Manufactured/Modular Home Construction Draw Disclosure

On Manufactured/Modular Homes the General Contractor/Retailer (GC) is allowed up to 3 interim draws after closing including the final draw. Upon receipt of a request by the GC for a construction draw, National Capital Funding, Ltd. (NCF) will immediately order an inspection of the construction project. NCF will choose the inspector from the list of approved agents. The Inspector will inspect the property, take photographs, and forward the report to NCF.

Upon receipt of the inspection report, NCF will match the report with the Manufactured/Modular Home Construction Cost Breakdown to determine the draw amount. All draws are based on a line item percentage of completion. NCF will then advise the Interim Funding Source to fund the applicable draw by wire to the Title Company or Closing Agent. NCF will provide instructions for disbursement to the Title Company or Closing Agent for disbursement to the GC/Retailer.

## Site Improvement Draw (Optional)

This draw is for any completed interim improvements. **This draw should not be requested until the foundation is complete.**

Funds that are included in this disbursement are:

- Completed site improvements verified by the interim inspection report

The following documents are required for the Site Improvement Draw:

- Foundation survey (if applicable)
- Building Permit or Letter from the Municipality stating that a building permit is not required (if applicable)

## Manufactured/Modular Home Draw (Optional)

This draw is used to payoff the Retailer's floorplan financing source or Manufacturer's invoice (if not previously paid at closing). If desired it may also include payment of any site improvements that were not addressed in a previous draw provided the requirements of the Site Improvement Draw have been met.

This draw will consist of the following:

- Retailer's cost of the home from manufacturer's invoice or floorplan financing payoff statement (if it was not paid at closing)
- Completed site improvements verified by the interim inspection report that were not addressed in the previous Site Improvement Draw

The following requirements must be met before disbursing funds at this stage:

- Manufacturer's Invoice or Floorplan Financing Source's Payoff Statement on new unit(s) with the amount of the floorplan payoff, mailing address, wire instructions (if applicable), and serial numbers of the unit(s).

From this draw's proceeds, NCF will instruct the Title Company or Closing Agent to payoff the Retailer's cost of the Home (from manufacturer's invoice or floorplan financing payoff statement) directly to the Manufacturer/Floorplan Finance Source. The balance of this draw will be disbursed to the GC.

## Final Draw

This draw will pay for all remaining and completed improvements and will always be **at least 20%** of the construction contract/purchase agreement price. The GC will advise NCF when the project is complete or scheduled to be complete so the Final FHA Inspection (Final Appraiser's Inspection, if a conventional loan) can be ordered. NCF will order and provide the final inspection.

This draw will consist of the following:

- Completed site improvements that were not addressed in the previous Site Improvement Draw and/or Manufactured/Modular Home Draw
- The remaining amount of the loan, less any outstanding obligations to NCF, Permanent Lender, and/or Title Company/Closing Agent

Before making the final draw, NCF must receive the following:

- Certified As-Built Final Survey (where applicable) **[Ordered and Provided by GC/Retailer]**
- Certificate of Occupancy or equivalent
- Final Inspection **[Ordered and Provided by NCF]**
- Affidavit of Completion and Indemnity and Final Waiver and Release of Lien by GC
- Affidavit of Completion and Acceptance by Borrower
- All approvals for the manufactured/modular home or utilities from the appropriate governmental authority
- Any other miscellaneous documents requested by NCF from General Contractor/Retailer

When these requirements have been met, NCF will forward to the Permanent Lender for their review and approval. A Funding Advice will then be forwarded to the Interim Funding Source or Permanent Lender requesting funds to be sent to the Title Company or Closing Agent. NCF will forward final disbursement instructions to the Title Company/Closing Agent for final disbursement to the General Contractor/Retailer.

\_\_\_\_\_  
GENERAL CONTRACTOR'S COMPANY NAME

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
GENERAL CONTRACTOR'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CO-APPLICANT'S SIGNATURE

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