



NCF's "How to Submit a OTC Const/Perm Loan Guide" for Loan Originators and Processors

General Description of Program

National Capital Funding, Ltd. (NCF) provides construction funds administration to Lenders for true one-time close FHA, VA, and USDA construction-to-permanent loans with staged funding designed for manufactured, modular, and site-built housing. NCF's construction administration service allows Lenders with which we have an alliance to offer their Brokers and Originators this unique loan product.

The Lender underwrites and approves the permanent portion of the loan before the construction begins. NCF underwrites and approves the construction portion of the loan. When all conditions for closing are cleared with the Lender and NCF, other than the final construction related conditions, NCF will help coordinate the closing with the Lender. The Const/Perm Loan then closes in the Lender's name. NCF's closing documents include the documents for both the construction portion and the permanent of the loan. Once closed and recorded, construction can begin.

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 portion of the loan to the permanent portion of the loan. This is a true one-time close, therefore, the Borrowers will not need to return to the Closing Agent for a second closing or a modification closing once construction is complete.

For more details about the program, see the *General Overview of NCF's One-Time Close Program* available on our website at www.ncfunding.net/forms

Steps Involved and their Proper Order:

1) Submit the One-Time Close Calculation Request Form to NCF

We do all the MATH for you!

- **Note:** You must submit your request to NCF prior to submitting the loan to the Lender for credit underwriting.
- **OTC Calculation Request Form** available at www.ncfunding.net/forms
- Submit completed Request Form either online or by e-mail to request@ncfunding.net. Please include with your submission a breakdown of fees (e.g., Itemized Fees Worksheet, Closing Cost 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 Closing Agent that we have not worked with before, we will contact them to explain our one-time 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 the address shown on the Request Form.
- The NCF Calculation Results we send back to you will aid in the structure of the construction contract 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 construction contract 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 Fees Worksheet and permanent period Loan Estimate properly.
 - c. **Construction Cost Breakdown:** pre-filled with the contract information and ready to be fully completed and signed by Builder/Retailer
 - d. **Purchase Agreement/Construction Contract Worksheet:** pre-filled with the breakdown of the contract price, shows estimated net for the home and improvements to the Builder/Retailer, and ready to be signed by the Builder/Retailer
- Typical Calculation Request turnaround time is within 24 hours. Expect turnaround time to be longer on deals with Closing Agent's we have yet to work with and therefore, must call to explain our process and get their fees based on our program requirements and process.

FAQ: 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 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 Lender

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

3a) Submit the Construction Underwriting Loan Package to NCF

- **Please Note: This submission package is different from the package that you submitted to the Lender for credit underwriting.**
- Once you are comfortable that the loan will be approved by the 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 three things be accomplished first before submitting the construction package to us for our review...



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- Credit Approval back from Lender with conditions that you know you can overcome,
- Appraisal back and final Calculation Results either updated or confirmed, and
- Only missing 5 items or fewer from our Construction Underwriting Submission Checklist that you're responsible for submitting to us. It won't speed up the process or save time by submitting an incomplete package to us.
- **NCF Forms Packets w/ Submission Checklists** are available at www.ncfunding.net/forms. Note there is a version for Manufactured/Modular Homes and a version for Site-Built Homes. Submit the processed construction submission file via e-mail to underwriting@ncfunding.net. Please do not fax your submission package to us.
- The full color 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 3 business days.

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
- Typical construction conditions review is 1 business day.

4) Lender Issues "Clear to Close"

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

5) NCF has Closing Docs Prepared

- Upon receipt of all items including those from the 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.
- **Typically, at least 4 business days will be required from this point until Closing/Signing actually takes place.** This time requirement allows for closing docs to be prepared, reviewed, sent to Closing Agent at least 24 hours in advance of closing as most require, and the preparation of the final CD so that funds can be ordered for closing.



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6) Closing

- NCF will work directly with the Lender and Closing Agent to achieve a final CD. Once complete and approved by NCF and the Lender, NCF will order the funds for closing from the Lender.

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 Lender's approval.** As per our agreement with each 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 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 Lender has funded the loan, NCF will forward to the Closing Agent the Final Disbursement Instructions and work directly with the Closing Agent on making the final disbursements.

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



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