

CONSTRUCTION TO PERM MORTGAGE PROCESS

TIMELINE

1

Pre-Approval

Provide financial documents and information to the lender, who will evaluate your creditworthiness, income, and debt-to-income ratio to determine the loan amount you qualify for. *(Depends on how quickly documents are received, credit pulled, and application processed 1-3 days)*

2

Construction Plans & Budget

Once pre-approved, you'll work with the lender, builder, and possibly an architect to finalize the construction plans and establish a detailed budget for the project. The lender will review these plans and budget to ensure they align with their lending criteria. *(Builder approval usually takes 3-5 days, and construction plans depend on contractor. Could be 1-3 weeks)*

3

Loan Application

You'll submit a formal loan application to the lender, providing all the necessary documentation required for underwriting. This includes income verification, asset statements, and any other documents requested by the lender. *(Usually takes 24-48 hours)*

4

Loan Underwriting

The lender will review your application and documents to assess your creditworthiness and the feasibility of the construction project. They will evaluate the construction plans, budget, and your financial qualifications to determine if you meet their lending criteria. *(Conditional approval within 3 days)*

5

Loan Approval & Closing

If your application is approved, the lender will issue a loan commitment, outlining the terms and conditions of the loan. A closing date will be set for the loan closing, where you'll sign the necessary loan documents. *(Usually takes 1 week to get title documents and lender documents prepared for closing)*

6

Construction Phase

After closing, the construction of your new home begins. During this phase, the lender will disburse funds to the builder or contractor in a series of draws based on the construction progress. You'll typically make interest-only payments on the disbursed funds during the construction period. *(Usually takes 9-12 months to complete construction)*

7

Conversion to Permanent Mortgage

Once the construction is complete, the loan converts into a permanent mortgage. A final inspection is conducted to ensure that the home meets all applicable building codes and regulations. The lender may require additional documentation, such as a certificate of occupancy, before finalizing the conversion. *(Usually takes 1-2 weeks)*

8

Permanent Mortgage Repayment

After the conversion, you'll begin making principal and interest payments based on the terms agreed upon in the loan agreement.

Pioneer Mortgage Funding Inc. NMLS# [1936558](#) is an Equal Housing Opportunity mortgage broker. Rates and terms vary depending on eligibility. Approval subject to review of information.

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