



Fannie Mae HomeStyle Program

Initial Deposit Draw	Up to 10% of contract, specific materials only - see below (any amount greater requires prior approval by FGMC) Based on the contract between borrower and builder. The contract must include a cost breakdown for the project which sets out amounts for material and labor.
Basis for Initial Deposit Draw	Only the following project line items are available for material draws: Flooring; Cabinets; Countertops; Appliances, Window/Exterior Doors, Solar Conversion and Pools. The deposit will be netted from that line item category based on progress in inspections.
Scope of Work	Project max (including contingency, inspections, etc.) cannot exceed 50% of As Complete Appraised Value; Recommend using the HomeStyle workbook to check
Project Work	Luxury items allowed, must add value
Max Number of Contractors	3 (Contractor Profile/Docs Needed for Each)
# of Draws	As Determined by the Contract between Borrower and Contractor, Max of 6 per contractor. No Holdback
Contingency	Minimum 10% contingency, Maximum is 20%. If utilities not on then 15% is the minimum contingency.
Project Consultant	Optional (does not need to be HUD consultant); Cost can be financed
Occupancy Type	Owner Occupied, Second, and Investment
Payment Reserve	Allowed up to 6 months if home will be uninhabitable based on scope of work. Owner Occupied Property Only
Identity of Interest (Borrower, Contractor, Consultant)	Allowed, must be disclosed in writing prior to submission to Underwriting
Max Project Term	12 months
Prior OP (Occupancy Permit)	No prior issuance of Occupancy Permit/CO required for property

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