

CONVENTIONAL ONE-TIME CLOSE (OTC)

Construction financing that converts to a permanent mortgage in a single closing.



MORE ABOUT THE CONVENTIONAL OTC PROGRAM

Unlike traditional construction loans – which require a second credit qualification and closing before the loan converts to a permanent mortgage – Conventional One-Time Close converts to a permanent mortgage in a single closing. This generally means no requalification or second closing, saving borrowers time and money. Available for both stick-built and manufactured homes, this program also contains fewer limits on property types and permanent mortgage options.

PROGRAM HIGHLIGHTS

- Eligible buyers may borrow up to 95% LTV; up to 97% LTV when an eligible Freddie Mac CHOICEHome property is combined with the Freddie Mac Home Possible® or HomeOne program(s)
- PMI automatically terminates at 78% LTV
- Loan is available to finance the home, the lot, and any needed site improvements
- May be used with 15, 20, or 30-year fixed mortgages; super conforming/high balance mortgages (in designated high-cost areas)
- No requalifying when all documentation used to qualify is less than 365 days at time of converting to permanent mortgage

ELIGIBLE TRANSACTIONS

- Newly constructed 1-unit site-built homes, modular homes
- Newly constructed multiwidth manufactured homes that have never been attached
- Primary and second residences
- Detached PUDs

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TO LEARN MORE!**