



Sherwood
CONSTRUCTION INC

Procedure for Working with Sherwood Construction on 203k Estimates & Rehab

Step #1

- ⇒ Complete the Online Request-An-Estimate Form on the Sherwood Construction website at www.sherwoodconstruction.net. Be sure to answer all of the questions or it will slow down the estimating process.
- ⇒ Once we receive all of your information, we will schedule a walk thru with you to complete your estimate. Depending on how busy we are, it could take anywhere from 1-14 days to get on our schedule.
- ⇒ We are not home inspectors, and you will need to provide us with a copy of a formal/official home inspection report prior to your estimate walk thru so that we are in alignment with pricing for necessary repairs and know exactly which rehab elements will be necessary to assist you in qualifying for your loan.
- ⇒ You will need to work with your Mortgage Pro in advance of requesting an estimate to be able to give us the pre-qualified official loan amount that the buyer is *qualified* for, for the 203k renovation portion ONLY. This will be a separate \$\$ amount from your primary home loan/mortgage. It is important to have this so realistic expectations are set forth as to what rehab elements can be afforded so that we arrive at the property with all of the actual information to do an accurate, timely estimate for you. Though we are happy to work directly with buyers and realtors, we will insist on being immediately and directly connected to the Mortgage Pro as a primary point of communication because they are ultimately the contact point for the final loan and who we must coordinate a tremendous amount of paperwork with.
- ⇒ To block your appointment, we will need you to provide us with the full property address, a list of rehab requested, the contact phone and email of buyer, mortgage pro & realtor to assure house access is provided. If you provide us with a lockbox code for the house it can greatly speed up the estimate process. Keep in mind that we will be managing all subcontractors for you (A/C, Electrical, Roofing, Plumbing, etc.) and providing you with one all-inclusive estimate and paperwork packet for the loan. The time it takes to complete the estimate will also be dependent on how many renovation elements are required for the property.
- ⇒ Please allow 5-7 business days after your walk thru to receive our written estimate. Again, we may get this to you faster depending on all the scheduling factors.
- ⇒ Please refer to the **Central Florida Area 203k Map** provided which outlines the areas in which we work, and what loan amount minimum is required in those areas. Please be aware that due to insurance and for permitting reasons, we may decline to work on only a piece of a 203k project if other contractors are also being hired to do segments of the renovation. We invite you to use our **online 203k Loan Survival Guide** for buyers, realtors and mortgage pros nationwide to learn how to select a contractor and navigate every part of using a 203k loan. This can be found online at: <http://203kloanguide.blogspot.com/>



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A Summary of what we need from you & some important facts...

1. We need a copy of the formal Inspection report to coordinate Bank must-repair list with your buyer requests and expectations.
2. We need the total pre-approved \$\$ amount of ONLY your 203k loan rehab. This amount is set aside for rehab only and does not include the price of the property/base mortgage.
3. We need to know the name of the bank you will be using for the 203k loan itself. Note: Be sure your bank and type of loan allows you to work with ANY contractor of your choice.
4. We need to confirm that all mortgage co-signers live in the central Florida area. Due to bank policies of three party-checks, we no longer do 203k's with non-local mortgage holders unless we are sure they are willing to fly into Orlando 2-3 times to go to the bank with us to cash the payment checks.
5. As it may have been mentioned to you already, we usually do not do only partial 203k work due to the large amount of admin and coordination required by our staff. This means if you are planning on splitting up the work among multiple contractors, we probably will decline to participate.
6. We need the name, email, phone # for your mortgage pro
7. We need the name, email, phone # for your Realtor
8. We need to know the year the house was built to assure EPA lead test compliance before we do the estimate. By law, a lead test must be conducted on any house built 1978 or before. We do not charge for estimating, but there is a lead test fee of \$225 that must be prepaid. Once we receive your payment to the address provided below, and all of the additional info noted above, we will then be able to proceed with scheduling you for an estimate appointment.

Step #2

- ⇒ The next step is for the mortgage professional to submit our formal estimate to the client (you) for review and approval. This is an important step to verify with both the buyer and financing approval departments that the estimate is accepted at all levels.
- ⇒ If there are any questions or additional items the client would like to add or things to eliminate, they will let us know at that time and we will be happy to provide a revised estimate.

Step #3

- ⇒ Once we receive formal/written approval via email from the mortgage pro AND directly from the client that the estimate is approved and the client is ready to proceed with using Sherwood as the contractor of record for their 203k mortgage, we will proceed with completing your bank's 203k packet. Our primary Contractor's Packet is available to download from the Sherwood Construction website which provides copies of all licenses, insurance, client references, etc.
- ⇒ Please allow 2-3 business days to receive back the completed and custom 203k bank paperwork.



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Step #4

- ⇒ At time of closing assure that you get the name and contact info of the assigned HUD consultant (if there is one), and provide us with that information. The Mortgage Pro will also need to coordinate with the bank, buyer or Title Company to assure that if a 40-50% rehab loan draw is an option that it is initiated and the check sent to us at the time of closing.
- ⇒ It is the buyer's responsibility to submit the contractor's payment packet, call/fax necessary paperwork to the bank to schedule inspections, etc if there is no HUD consultant assigned to the loan. This packet from the bank may be provided at time of closing or arrive 4-6 weeks after closing from the bank.
- ⇒ The Buyer will need to call our office after they close on the house to get on our schedule to start your property rehab. Depending on our current schedule, it may take 7-14 days for your rehab work to begin. We will be putting a new lockbox on your front door with a copy of your key in it so that we can enter and exit as needed during the rehab process. Please provide us with a copy of your key as soon as possible.
- ⇒ Please keep in mind that rehab is not a 3-day quick process and may create quite a mess. We do NOT recommend you plan to live in the house while rehab is underway. Please be aware that living in the house during the rehab work will slow the process down.

We look forward to working with you on your project. Please contact us to schedule an estimate or if you have any questions we can assist with.



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Central Florida Area 203k Map

This map provides a rough diagram of the area of operation for Sherwood Construction and the minimum loan amount required based on the property location. We apologize if this is a bit difficult to read. If you are uncertain about the address of a property, please contact us to confirm what loan level it will require.



Note:
 1: will add approximately \$500 to estimate for travel
 2: will add approximately \$800 to estimate for travel