



**CHURCHILL**  
MORTGAGE®

Doing what's right *for you*



# HOW TO **BUILD** YOUR DREAM HOME

[www.churchillmortgage.com](http://www.churchillmortgage.com)

Congratulations—You’re ready to build your dream home! Here’s what you need to know about building your custom home through a Construction-to-Permanent loan with Churchill Mortgage.

## WHAT TYPE OF LOAN DO I NEED TO BUILD A HOUSE?

When building a home you’ll need a Construction-to-Permanent loan. **This means you can build a home and finance your mortgage using just one loan with Churchill Mortgage.** This type of loan streamlines the home building process from buying the land to completing construction. At Churchill, we offer one-time close home construction loans with several loan program options as well as a two-time jumbo construction loan.

Each Construction-to-Permanent loan program will have different requirements. Your Home Loan Specialist will be able to answer any loan questions and guide you toward the right mortgage plan for you.

HOME CONSTRUCTION LOAN OPTIONS	
Loan Type	Loan Requirements
Conventional (one-time close)	Minimum 660 credit score. Conforming loan limit, primary and second home options, and LTV up to 90%.
FHA (one-time close)	Minimum 650 credit score, primary only, and LTV up to 96.5%.
VA (one-time close)	Minimum 600 credit score, primary only, and LTV up to 100%.
Jumbo (two-time close)	Minimum 700 credit score. Up to \$1.5 million, primary only, and LTV up to 89%.



## BUILDING A HOME & INTEREST RATES

You'll have **two interest rates** during the construction loan process:

1. The first one is your "under construction" interest rate and will be an interest only monthly payment for the length of the build while your home is under construction.
2. The second will be a "locked-in" interest rate that can be reviewed after your build is complete. This loan will become your monthly mortgage payment with a loan term like 15 or 30 years.

And the good news is you don't have to worry about rising rates as you build!

## PLANNING YOUR PROJECT

Once you have picked your builder, your Home Loan Specialist will need to see all plans for your build. Here are the documents your builder and architect should provide:

- Construction contract
- Lot/land contract
- Budget and breakdown of costs
- Appraisal
- Interior and exterior plans
- Description of materials

While there are other documents that may be needed, these are standard.



## WHAT HAPPENS NEXT?

When you have your builder and project settled, it's time to work with your Home Loan Specialist to close your loan.

Your construction loan total will consist of:

- The funds to build
- Interest reserves
- Funds used to purchase/pay off your lot/land
- Closing costs

## WORKING WITH A BUILDER DURING CONSTRUCTION

After you close on your loan, you'll begin taking draws to pay the lender-accepted builder during construction. Work with Churchill on each phase of the construction project on allocating more money as inspections are done. A reserve account will be set up to make monthly payments until the funds are gone. **Remember, during the construction phase you're making interest-only payments on the total loan amount used to date. This increases as more and more draws occur.**

You'll also have a contingency reserve which is typically 5% of your construction budget in case there are any unforeseen expenses. If there are any reserves left over after the build is complete, it can be applied to the principal of your mortgage.

### BUILDER DRAW EXAMPLES

<b>\$10,000</b> Foundation	<b>\$35,000</b> Framing	<b>\$50,000</b> Exterior Finishes	<b>\$45,000</b> Utilities
<b>\$75,000+</b> Interior Finishes	<b>\$10,000</b> Outdoor	<b>\$10,000</b> Contingency Reserve	

**Note:** You CANNOT build your own home. As the owner of the home, you may not have any ownership in the building company or work on the construction of your home.

# ESTIMATE THE COST OF BUILDING A HOUSE

To help figure out the cost of building your home, consult with a professional contractor. Construction costs can vary based on factors like labor costs, location, building supplies, and market conditions.

## AVERAGE COST TO BUILD BASED ON STATE & 2,000 SQ. FT. HOME

STATE	AMOUNT	STATE	AMOUNT
Alabama	\$267,620	Montana	\$298,960
Alaska	\$421,080	Nebraska	\$210,900
Arizona	\$295,580	Nevada	\$334,140
Arkansas	\$251,800	New Hampshire	\$299,900
California	\$405,440	New Jersey	\$376,900
Colorado	\$299,300	New Mexico	\$290,940
Connecticut	\$345,440	New York*	\$360,180
Delaware	\$327,060	North Carolina	\$301,500
Florida	\$263,640	North Dakota	\$212,500
Georgia	\$273,860	Ohio	\$222,480
Hawaii*	\$412,840	Oklahoma	\$260,500
Idaho	\$315,520	Oregon	\$340,580
Illinois	\$265,440	Pennsylvania	\$302,200
Indiana	\$219,300	Rhode Island	\$338,180
Iowa	\$214,040	South Carolina	\$301,840
Kansas	\$207,120	South Dakota	\$204,420
Kentucky	\$280,580	Tennessee	\$261,940
Louisiana	\$269,920	Texas	\$264,100
Maine	\$282,140	Utah	\$288,560
Maryland	\$294,160	Vermont	\$307,840
Massachusetts	\$350,820	Virginia	\$310,100
Michigan	\$216,780	Washington	\$343,100
Minnesota	\$236,980	West Virginia	\$301,120
Mississippi	\$255,320	Wisconsin	\$239,140
Missouri	\$226,760	Wyoming	\$290,420

\*Churchill Mortgage is not licensed in New York and Hawaii.

\*\*Prices exclude the land and land development, as well as features such as decks, basements, or garages.

# CONSTRUCTION IS COMPLETE

Once construction is 100% complete, your construction loan will convert to a permanent mortgage and, you'll start paying your ongoing monthly mortgage.

## YOUR MORTGAGE PAYMENT

### Principal

Your loan amount

### Interest

Money paid for borrowing the funds

### Taxes

Money paid based on the value of your property and land

### Insurance

Money paid for private mortgage insurance (depending on your down payment), and/or homeowners insurance to protect your home from natural disasters

**Note:** Your monthly mortgage payment could be higher than the interest only payment you've been making during construction.

# DOING WHAT'S RIGHT FOR YOU

Building a home is a wonderful investment in your future and a dream come true for many! The team here at Churchill Mortgage is honored to be by your side during this exciting time. With so much to consider, it's best to get all your answers before making any decisions.

Your Home Loan Specialist will work with you every step of the way to ensure you feel educated and supported. We're committed to doing what's right for you and can't wait to see what we build together!





# CHURCHILL MORTGAGE®

**NEED MORE INFORMATION?**  
Just reach out to your local Home Loan Specialist

888.562.6200

[churchillmortgage.com](http://churchillmortgage.com)



Source: [forbes.com/home-improvement/contractor/cost-to-build-a-house/](http://forbes.com/home-improvement/contractor/cost-to-build-a-house/)

Company NMLS ID # 1591 ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)); AL-20934; AK-AK1591; AR-32094; AZ BK# 0926494; CA-4131256 & 60DBO-140687, Licensed by the Department of Financial Protection and Innovation under the California Residential Mortgage Lending Act, under Churchill Mortgage Corporation, which will do business in California as Churchill Mortgage Home Loans; CO-Mortgage Company Registration, Churchill Mortgage Corporation, 1749 Mallory Lane, Suite 100, Brentwood, TN 37027, Tel 888-562-6200, Regulated by the Division of Real Estate; CT-ML-1591; DE-033845; DC-MLB 1591; FL-MLD 1264; GA-23146; ID-MBL-8038; IL-MB.6760685, Illinois Residential Mortgage Licensee, Illinois Department of Financial and Professional Regulation (IDFPR), Division of Banking, Bureau of Residential Finance, 555 West Monroe Street, 5th Floor, Chicago, Illinois 60661, All Inquiries: 1-888-473-4858, TTY: 1-866-325-4949, Website: <https://idfpr.illinois.gov>, IN-10930 & 10931; IA-2009-0009; KS-MC.0025136, Kansas Licensed Mortgage Company; KY-MC19522; LA- Residential Mortgage Lending License; MA-Massachusetts Mortgage Lender License #ML1591; MD-18840; ME-Churchill Mortgage Corporation, Supervised Lender License NMLS # 1591; MI-FR0019728 & SR0014889; MO-19-2136, 2300 MAIN ST STE 900, Kansas City, MO 64108-2408; MN-MN-MO-1591, MN-MO-1591.1 & MN-MO-1591.2; MS-1591; MT-1591; NC-L-144110; ND-MB103110; NE-2037; NH-Licensed by the New Hampshire Banking Department 21382-MBS; NJ-Licensed Mortgage Banker by the NJ Banking and Insurance Department; NM-03780; NV-5187; OH-RM.850178.000; OK-MB002527, ML002574, ML014679; OR-ML-5134; PA-41761, Licensed by the PA Department of Banking and Securities under Churchill Mortgage Home Loans; RI-20173440LL & 20234577LB; SC-MLS-1591, MLS - 1591 OTN #1 & MLS - 1591 OTN #2; SD-ML.05137; TN-109305; TX-Mortgage Banker Branch Registration; UT-11711076; VA-MC-5222, Churchill Mortgage Corporation of TN; VT-7009 & LS-1591; WA-CL-1591; WV-ML-34919 & MB-1591; WI-1591 BA & 1591 BR; WY-2516; Tel 888-562-6200; 1749 Mallory Lane, Suite 100, Brentwood, TN 37027; All other states, Churchill Mortgage Corporation; For licensing information go to: [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)