



NATIONAL CAPITAL FUNDING, LTD.

14405 WALTERS ROAD, SUITE 350, HOUSTON, TEXAS 77014
(281) 537-0073 • FAX (281) 537-5698
WWW.NCFUNDING.NET

One-Time Close Program with Staged Funding Overview

General Description: NCF provides interim financing and administration for true one-time close staged funded construction-to-permanent loans designed for manufactured, modular, and site-built housing. NCF's construction administration service allows Permanent Lenders with which we have an alliance to offer their Brokers and Originators this very unique loan product. The Permanent Lender underwrites and approves the permanent loan before the construction begins. National Capital Funding, Ltd. underwrites and approves the construction portion of the loan. When all conditions for closing are cleared, other than the final construction related conditions, NCF will help coordinate the closing. The loan is closed in the Permanent Lender's name and in certain instances the Permanent Lender will require it to close in the Mortgage Broker's name. NCF's closing documents include the documents for the construction loan, as well as, the documents for the permanent loan. Because the permanent loan is closed before construction begins, **there is no "requalifying" of the borrower when it is time for conversion of the construction loan to the permanent loan. This is a true one-time close, therefore, the Borrowers will not need to return to the title company when the construction is complete.**

Max/Min Loan Amounts: Determined by the Permanent Lender.

Types of Loans: FHA and Conventional

Eligible Properties: New Manufactured Homes and Modular Homes. The program is not currently available for Site-Built Homes.

Occupancy Type: Owner-Occupied

Payment of Interest/Fees: In most cases the estimated construction interest, construction administration fee, construction underwriting fee, construction closing fee, and construction inspection fees (all are recognized as Construction Soft Costs) charged by National Capital Funding, Ltd. will be included in the Retailer/Builder's price of home. Construction Soft Costs do not count towards maximum Builder/Seller concessions to the Borrower.

Interim Interest Rate: Currently, it is the greater of 10.5% or 4 percentage points above the prime rate. Interim interest only accrues on funds disbursed, not the full loan amount.

Interim Fees: Construction Administration Fee is 2.25% of Loan Note amount. Construction Underwriting Fee is \$250 per loan. Construction Closing Coordination Fee is \$275 per loan. Construction Inspection Fees are \$300 for manufactured/modular homes.

Legal Documents Preparation: One-time close documents are provided through National Capital Funding, Ltd.

Builder Completion: Retailer/Builder must provide and be responsible for turnkey completion services. Borrower cannot be responsible for any construction items. Therefore, the Retailer must act as the General Contractor.

Draw Schedule: At loan closing, National Capital Funding, Ltd. will fund closing costs, construction soft costs, land payoff (if applicable), and manufactured/modular home manufacturer's invoice on Retailer's unit cost (upon request prior to close and provided the unit is offline, a factory invoice is available, and the proper insurance coverage is in place). All construction draws are based on the "line-item percentage of completion" method. Funds are only released for work in place and/or for the manufacturer's unit invoice. A minimum of 20% of the contract on manufactured/modular deals will be funded upon completion of construction at the final draw.

Draw Requests: Requests by the Retailer/Builder are made by phone/fax/e-mail to National Capital Funding, Ltd. The maximum allowable number of draws is 3 for manufactured/modular housing. Upon receipt of a draw request we will have an independent inspection firm inspect the property and return to us photos and a report with the percentage of completion of each improvement item shown on the Construction Cost Breakdown/Line-Item Draw Schedule. We will match that inspection with Builder's Construction Cost Breakdown/Line-Item Draw Schedule to determine the draw amount. Please see the Construction Draw Disclosure for details on what stage of completion draw requests can be made. All funds will be disbursed directly to Retailer/Builder, other than the manufactured/modular home unit invoice, which will be paid directly to Manufacturer/Floorplan Financing Source. We do not disburse to individual subcontractors.

Final Survey: Retailer/Builder is required to furnish a final survey of the property showing completed improvements prior to final draw provided the Closing Agent and/or Permanent Lender require this survey. This cost is to be included in the Construction Cost Breakdown/Line-Item Draw Schedule.

Borrower Payments: The Borrower's loan payments do not begin until after construction is complete.

For further information, please visit our website at www.ncfunding.net