



Financing Help for Your Remodeling Project

At Melton, we strive to fulfill all of our clients' wishes within the budget they give us for their remodel. However, we want to be sure our clients to get exactly what they're dreaming of in their remodeled home, and sometimes that means supplementing their budget with some financing so they don't end up having regrets about their choices later.

Financing a remodel, either all or part of it, can be a tedious and confusing process. But we've identified some local lenders who can help and make the process as smooth and easy as possible. Please consider contacting one or all of these lenders to get you started on the process of financing your dream project.

John Lange, CFA Premier Mortgage Group

1844 Folsom Street
Boulder, CO 80302
303-449-8855
johnlange@cfa.com

Randy Lis First National Bank

3033 Iris Ave.
Boulder, Colorado 80301
303-938-4689
1stnationalbank.com/mortgage/rlis

Liles Lipe Flatirons Bank

1095 Canyon Blvd. Suite 100
Boulder, CO 80302
303-530-4999
flatironsbank.com

Financing Your Remodeling Project

A) Home Value	\$ _____
B) Loan Balance	\$ _____
C) 2nd Line of Credit	\$ _____
D) Total Debt (B+C)	\$ _____
E) Equity (A-D)	\$ _____
F) Loan to Value % (D/A)	% _____

Ask Premier about tools that will help accurately predict the value of your home.



Types of Remodeling Financing Products Available

For additional information, please contact John Lange with Premier Mortgage Group

Home Equity Line of Credit (HELOC)

Line of credit secured by the home
Typically uses a variable interest rate
Usually interest for the first 10 years
Considered temporary financing

Advantages

Most simple of the financing alternatives
Only pay interest on funds as needed

Considerations

Subject to risk of rising interest rates
More limited funds available to fund the project

Cash-Out Refinance

Replaces existing loan with a larger loan
Provides cash to fund the project
Various loan structures supported
Considered permanent financing
Loan amount based on existing structure

Advantages

Lots of flexibility in loan structure
Borrower can use cash at their discretion

Considerations

Loan amount is limited to the current value of the home
vs. the value after repairs
More limited funds available to fund the project

Construction Loan

Can be used to purchase and build or remodel all in one
loan
Typically floating rate during construction
Usually replaced by a permanent loan once construction is
complete

Advantages

Allows you to borrow more based on after repair value

Considerations

Requires approval of builder and project
Requires another round of financing after the project is
complete

Rehab Loan

Can be used for purchase or refinance and renovation
Considered permanent financing
30-year fixed loan
Loan based on after repair value
Maximum loan value is \$417k

Advantages

Can fund a major renovation with permanent financing in
one loan
More funds typically available as compared to a HELOC or
Cash-Out Refinance

Considerations

Requires approval of builder and project
Six months to complete the project

FHA 203(k)

FHA loan with mortgage insurance
Can be used to purchase or refinance and renovate
As little as five percent down
Max loan amount is \$417k

Advantages

Can be a good option if limited cash is available up front

Considerations

More expensive form of financing
More limited in types of projects that can be funded
Six months to complete the project