FHA Standard 203(k)

Renovations + Upgrades



The standard 203(k) program is designed for more extensive construction/rehab projects and allows a borrower to obtain a single loan to: Rehabilitate an existing 1-4 unit structure, which will be used primarily for residential purposes. Rehabilitate such a structure and refinance outstanding indebtedness on the structure and the Real Property on which the structure is located, or Purchase and rehabilitate a structure and purchase the Real Property on which the structure is located.

Eligible Improvements

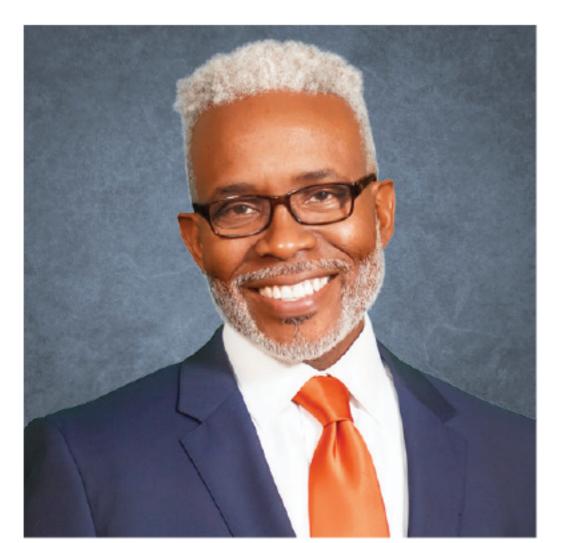
Eligible improvements include painting, room additions, decks, etc. even if the home does not require other improvements. All health, safety, and energy conservation items must be addressed prior to completing general home improvements. Items eligible for 203(k) funds include, but are not limited to:

- Change to improve function/modernization (bath/kitchen remodel)
- Converting single family to 2, 3- or 4-unit dwelling or from a multi-family to a 1-4 unit
- Elimination of health/safety hazards (lead-based paint, mold, etc.) Follow state and local government requirements where property is located for removal and testing
- Enhancing accessibility for a disabled person
- Installation of new well and/or septic system
- Interior/exterior painting
- Major landscaping that adds permanent value to the property and/or corrects any fire, health or safety issue
- Major structural alterations/additions (room/garage additions, finish attics/basements, repair of termite damage
- Repair/replace flooring, appliances
- Repair/replace roofing, gutters and down spouts
- Repair/replacement/upgrade of plumbing, heating, air conditioning and electrical systems
- Weatherization including storm windows/doors, insulation, weather stripping
- Well/septic repair/replacement work. Must be completed prior to beginning other repairs
- Window and door replacement.

Ineligible Improvements

Luxury items and improvements that do not become part of the real property are not eligible as a cost of rehabilitation. Examples include, but are not limited to:

- Additions or alterations to allow for commercial use
- Barbeque pits, outdoor fireplaces or hearths
- Exterior hot tubs, saunas, spas or whirlpool baths
- Photo murals
- Swimming pool installation
- Television satellite dishes/antennas
- Tennis courts
- Tree trimming/removal



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