


# The Construction to Permanent Loan from SunTrust Mortgage, Inc.

*Custom-built financing for custom-built homes*



 Equal Housing Lender. SunTrust Mortgage, Inc., 901 Semmes Avenue, Richmond, VA 23224 is licensed by the Department of Corporations under the California Residential Mortgage Lending Act; is an Illinois Residential Mortgage Licensee; is a Lender in Massachusetts having Mortgage Lender license #s ML1216, ML0133, ML1432, ML1914, ML1913, ML1815, ML2411, ML1214, ML2442, ML2491, and ML2538; is licensed by the New Hampshire Banking Department; is licensed by the New Jersey Department of Banking and Insurance, toll free 1-800-330-4684; is a licensed lender in Rhode Island; and is doing business in Arizona as Crestar Mortgage, 7250 N. 16th Street, Ste. 100, Phoenix, AZ 85020. ©2009, SunTrust Banks, Inc. SunTrust is a federally registered service mark of SunTrust Banks, Inc. Live Solid. Bank Solid. is a service mark of SunTrust Banks, Inc.

REV 02/02/09




# Strength. Stability. Service.

SunTrust Mortgage, Inc. is ranked  
*“Highest in Customer Satisfaction  
with Primary Mortgage Sales”\**

\*SunTrust Mortgage received the highest numerical score in the proprietary J.D. Power and Associates 2008 Primary Mortgage Origination Study<sup>SM</sup>. Study based on 4,256 total responses measuring 10 lenders and measures opinions of consumers who originated a new mortgage. Proprietary study results are based on experiences and perceptions of consumers surveyed in June 2008. Your experiences may vary. Visit [jdpower.com](http://jdpower.com).



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# What is a construction-to-permanent (C/P) loan?

A C/P loan is a mortgage loan designed for borrowers who finance the construction of a new home by a reputable builder.

- Loan is made directly to you, not to the builder
- Financing can also be used for property rehabilitation, including teardowns and renovations
- Eligible property types may include primary residences and second/vacation homes
- Construction loan rolls over to a permanent loan upon completion of construction




# C/P Loans – Features and Benefits

- **One-time loan closing** – saves you money by having to pay only one set of closing costs
- **Rate guarantee/protection during construction** – up to 9 months
- **Simultaneous approval for construction and permanent phases** – guaranteed permanent financing for the mortgage agreed upon at closing
- **Interest only payments\*** during the construction phase – lower monthly payments during construction phase, as you only pay interest calculated on the principal amount disbursed



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# C/P Loans – Product Options

## Key ARM\*\* with option to modify

Lock into an adjustable rate mortgage (ARM)\*\* at closing with the option to modify to a different loan program at construction completion.

If the current interest rate is lower than the interest rate locked-in at closing or if you prefer a different loan type‡, you can make modifications at that time. If rates have gone up, you remain at the original locked-in rate.

### Eligible products:


- Key LIBOR ARMs\*\* (fully amortizing)
- Key LIBOR Interest Only\* ARMs\*\*
- Doctor Loan Program
- Premier Advantage Program



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\*\*Adjustable Rate Mortgage (ARM) products have interest rates that may increase after consummation.

‡Borrower must be able to qualify at the time of modification for the new product selected.

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# C/P Loans – Product Options

## Fixed Rate with float down option

Lock into a fixed rate mortgage before construction with a one-time option to lower or “float down” the permanent interest rate (i.e. re-lock to the current market rate if it is lower than the original locked-in rate).

This option must be exercised prior to the end of the construction phase. If rates rise, your rate is capped at the original locked-in rate.


There is no product modification option.

### Eligible Products:

- Agency fixed rate – full amortizing
- Key fixed rate – fully amortizing
- Key fixed rate – interest only\*



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# C/P Loans – Product Options

## Fixed Rate

With this option, there is no interest rate risk. In an environment where interest rates are anticipated to rise, this option protects your rate.


There are no modification options.

## Eligible Products:

- Agency fixed rate – fully amortizing
- Key fixed rate – fully amortizing
- Key fixed rate – interest only\*
- SunTrust Mortgage Affordable Housing fixed rate



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# C/P Loans – Essentials

**The following are essential for your C/P loan:**

- A reputable builder
- A signed contract to build
- Down payment due at closing
- Foundation survey
  - Required for all new homes, including those in process
  - Required on renovations when expanding the footprint of the existing home
- For a loan amount above \$417,000, a final foundation survey showing all improvements to the property





# C/P Loans – Closing a C/P Loan and After

## Closing and After:

- Your loan closes with attorney or title company
  - Your down payment is due at closing
- SunTrust Mortgage Construction Department receives signed closing package and books the loan in the system
- A welcome letter and package is sent to you and your builder
- Construction Department administers inspections and draw disbursements
- If you choose to modify the loan type or adjust the rate, you are referred to your loan officer to discuss options
- Your house is completed and the loan is ready to roll from the construction phase to the permanent loan



# C/P Loans – Draw Disbursements

## Draw Disbursement Process:

- A draw request is received from the builder or from you
- An inspection is ordered by the Construction Department – this occurs at each disbursement request to verify the construction phase is on target for another disbursement
- The draw is calculated and discussed with you and the builder – the Construction Department determines the percentage of the draw for each disbursement
- Construction Department disburses the funds to the designated account



# Service Excellence

At SunTrust Mortgage, we are committed to providing you with excellent service quality.

Should you have additional questions regarding the SunTrust Mortgage C/P loan, the construction administration process, or other available loan products, I will be more than happy to assist you.

