

Roll the Repairs into the Mortgage



It's been said that if you can find a home that has most of what you want, you should go ahead and purchase it. Many first-time buyers are using everything they have for a down payment and closing costs and would have to "live" with the less than perfect home until they can save the money to make the changes.

The FHA 203(k) mortgage allows a borrower to purchase a home and provides additional funds for improvements to be made. These types of renovations can include kitchen and bathroom remodels, flooring, plumbing, heating and air conditioning systems, additions and other things.

The benefit to the buyer is that they have the opportunity to consider a home that needs repairs and might have been unacceptable without a program like this. Being a FHA loan, a minimal down payment is required, fair interest rates and generous qualifying requirements.

The FHA 203(K) Streamline program can be used for cosmetic improvements, appliance and minor remodeling up to \$35,000 in cost. This is a specialized program and not all lenders choose to make 203(k) loans. They usually take longer to process and getting firm bids on the work to be done will be required. It will also be required that your work with a 203(K) consultant in addition to the mortgage officer. For complete details, click on the following link:

www.hud.gov/program_offices/housing/sfh/203k

Alaska Housing Finance Corporation (AHFC) also has a "Purchase Renovation Program" which, in my estimation is the easiest program available to meet your renovation objectives. The following link takes you to the correct AHCF web page devoted to their "Purchase Renovation" program. www.ahfc.us/buy/renovation-loan-programs

Note: If this article generates additional questions or a need for additional information, the following button will allow you to ask your question(s), request additional information or make comments. It is not my intent to bug you with unwanted phone calls, emails, or text messages! It is my intent to allow you to benefit from my 35+ years real estate activity and to give you a buying experience beyond your expectations!

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