

BUILDING ON YOUR OWN LOT

Find Property

- Finding the Right Lot
 - Consider location, slope (will you have to drive up a hill? will you have a flat backyard?), available utilities (natural gas? sufficiently fast internet?), amount of trees (removing them can be expensive)
- Purchase the Lot
 - It is possible to have one closing for your lot purchase *and* construction loan. If you don't already own your property, contact a bank to discuss that option.

Things to Do Before Your First Meeting with SK Communities

- Have your property professionally surveyed
- Determine any encroachments necessary for your build (encroachments and associated fees will be your responsibility).
- Apply for a Septic Permit from DHEC (need to know number of bedrooms, plans for a pool, location of any storage buildings). If you're not sure about this, you can wait and coordinate with SK Communities. Just be aware that getting a Septic Permit can take 2-8 weeks and may delay construction.
- Identify Your Utility Providers
 - This includes figuring out what utilities are available (natural gas, sewer, septic, public water, etc.).
 - Fees from utility providers (water tap, gas line tap, etc.) can be priced into the contract, but SK Communities won't be liable for any utility connection costs not included on the contract.
- If there's an HOA, get copies of any documents that specify their requirements.

What Does the Base Price Include?

See BOYL - Features and Specifications.

Contact Us

Once you have your lot picked out (and purchased, unless you're going to handle the property and the construction loan in one closing), it's time to contact SK Communities and Sales Agent.

- Discuss location of property, general budget, and timeline.
- Discuss general preferences (square footage, bedrooms, bathrooms, etc.), identify floor plans that meet your needs.
 - We'll provide contact information for banks, then follow up after you've made contact with the banks.

Get Financing

Contact the approved banks listed below and see which one is the best fit for you. Note that not all banks provide construction loans. Construction loans are different: you make interest-only payments during construction, and then the loan converts into a regular loan (conventional, FHA, VA, etc) after completion of the home.

SK Communities approved banks are:



James Anderson

Vice President of Construction Lending NMLS #480116

105 N. Spring Street, Greenville, SC 29601

Mobile: (864) 720-1241

JAnderson@FirstCommunitySC.com

Conner Moon

Mortgage Lender NMLS #1670044

Mobile: (864) 905-8099

CMoon@FirstCommunitySC.com



A DIVISION OF



Luminate Bank®

Caleb LeGrand

Branch Manager NMLS ID# 150953

400 Executive Center Dr, Suite 108, Greenville, SC 29615

Office: (864) 569-0741

clegrand@clteam.us

www.clteam.us

Common Financing Questions

- **Will I need two closings?**
 - Generally, you will just need one closing (with modification), however the two-time close option is also available when it makes sense.
- **What does "one closing with modification" mean?**
 - The original Note and Mortgage survive the completion of the home, we just modify the terms after completion. Which means that your construction loan will be modified into a permanent loan of your choosing.
- **Is there a restriction on what kind of permanent loan I can acquire?**
 - You can use any permanent loan product you qualify for—the most popular are Conventional, FHA and USDA programs.
- **What kind of payments will I be making during construction? How will they change as construction proceeds?**
 - As the home is being built we advance money based on how much work has been completed, and the buyer makes interest-only payments. These payments start out small and grow as the home is being completed. The largest interest payment will be at the end when the home is closer to completion.
- **How much of a down payment will I need?**
 - A 10% down payment in the form of land equity or cash.
- **Using the equity in my lot as down payment—how does that work?**
 - You give the land as collateral. If that value meets the 10% required, no additional down payment is needed.
- **Do I need a really high credit score to qualify for a construction loan?**
 - The minimum score required is 680.
- **Do I need insurance on the home during construction?**
 - SK Communities carries the required coverages during construction, and the buyer gets their own policy once the home is complete.
- **Do I approve each draw, or is that handled between the builder and the bank?**
 - Each draw must be approved by the buyer and conform to the lender's progress inspection report.

The Site Walk

After you've finished the loan application, the bank will provide a pre-qualification letter, which means we can start digging into the details. We'll schedule a meeting at the property with the Sales Agent, customer, and SK Communities site coordinator to discuss:

- House Placement/Orientation
- Location of Attached Garage (Left or Right)
- Length of Driveway
- Landscaping Needs
- Grading
- Tree Removal
- Septic Tank
- Water Drainage Plan
- Utilities

Design and Specifications

- Select Floor Plan (this may involve visiting other SK Communities homes)
- Meet with Sales Agent and go over the features, options, upgrades, changes, and customizations you have in mind. This includes looking through samples in our showroom.
- Sales Agent will draft a Sales Price Breakdown based on the specifications. This process can take a few days to a couple of weeks, depending on the complexity of the customizations.
- Revise the Sales Price Breakdown based on customer's budget and interest.
- Finalize the Sales Price Breakdown.
- Write the contract.
- Color Selection choices at SK Communities Design Center

Construction Timeline

- 12 Months
- Anticipate 45 Days for Financing (included within the 12 Month Contract Duration)
- After the Construction Loan has closed (~45 days), SK Communities will apply for the building permit. It generally only takes 1 to 3 days to receive the building permit.

Grading Begins

Pre-Construction Meeting

When the foundation is nearly complete, we schedule a pre-construction meeting with the superintendent of the build and review the contract.

Pre-Drywall Walk-Through

Before we hang the drywall, we'll meet at the house and make sure everything is in the right place.

After drywall and interior paint, we can provide a more specific estimate of completion.

Final Walk Through

We will walk through the finished home and create a punch list based on the requested repairs (primarily cosmetic).

Final County Inspection

After passing this inspection, we receive the Certificate of Occupancy (CO), which makes it legally permissible to live in the home.

Coordinate Final Appraisal/Inspection with Bank

During this same time, SK Communities and Sales Agent will coordinate with your bank to schedule a final appraisal/inspection. After passing this inspection, the bank will disburse the final draw from the construction loan.

Closing

After the CO is issued and SK Communities has received the final draw, SK Communities and Sales Agent will schedule a time for the final settlement. After all the closing documents are signed you will receive the keys, along with the garage remotes and the Warranty Manual.