New Approaches to Homeownership
Renovation Lending with 203(k) Loans
First Guaranty Mortgage Corporation (FGMC) has been in the business since 1987.

FGMC is approved by FHA, VA, USDA, FNMA and GNMA.

FGMC is approved to do business in 42 states and D.C.

FGMC has a Retail Division, a Wholesale Broker Division, a Correspondent Division, and a Capital Markets Division

FGMC offers a broad array of financing options
FGMC is an approved GinnieMae seller. We securitize over 95% of our closed loans and we retain servicing on the majority of our closed loans.

FGMC is a Full Eagle with full DE UW approval with FHA.

FGMC is an approved delegated UW Fannie Mae loan seller, including being only one of a few national lenders approved for the HomePath Renovation loan for both O/O and NO/O borrowers.
FGMC is in a unique position to provide a full range of both
niche and traditional products to assist you as you look for
new approaches to homeownership in these trying real estate
and financial markets.
Underwriting Philosophy

- The FHA loan guarantee was introduced to make homeownership affordable for those who might not otherwise be able to obtain a mortgage.
- Minimum FICO scores were not originally in FHA guidelines.
- Current stressed market conditions have caused mortgage lenders to tighten underwriting standards to all types of mortgages.
- Many lenders have implemented “overlays” that reference minimum FICO scores.
Common Sense Underwriting

- Low minimum FICO score (580 and down to 530 with special circumstances), including borrower’s with no score. Borrowers are underwritten to FHA, VA or USDA guidelines with minimal overlays.

- FGMC, through its common sense underwriting, has helped hundreds of families who have FICO’s <640.

- Loans are available for the following property types: Single Family Homes, Townhomes, condominiums, 1-4 Unit dwellings, Double-Wide Manufactured Homes and Modular Homes.

- Real Accountability, Real Timeliness, Real Answers.
Common Sense Underwriting: How do we do it?

- FGMC is a FHA Full Eagle
  - A FHA Full Eagle is a lender that is directly endorsed by FHA. We underwrite our loans and close loans using our funds.

- FGMC has several DE Underwriters on staff
  - DE stands for Direct Endorsement. It references the ability to underwrite FHA loans. DE underwriters provide the ability to endorse the application package and approve the loan.
New Approaches in Financing for Today’s Housing Stock
Renovation Industry

- The Renovation Industry is big... and getting bigger
  - Approaching $250 billion annually (40% of all residential construction)
  - Over $170 billion spent on owner-occupied properties
  - Only a small fraction is financed as part of a first mortgage
  - And yet, most common time to repair is immediately after moving in
Purchase mortgage without renovation is inefficient for homes that need work

- Borrowers have little cash left after purchase
- Sacrifice time and quality
- Must resort to more expensive options (credit cards, hard money, etc.)

The real estate and lending industry are barely scratching the surface
The 203k Renovation Product

Our renovation product is simple.

- FHA 203(k) common sense underwriting with credit scores down to 580
- 1-4 unit homes, Condos, Townhomes, PUDs & Manufactured
- Streamline 203(k) up to $35,000 or 35% of the completed appraised home value and Full 203(k) above $35,000
- Loans up to 110% of After Rehab Value
- Originated and underwritten by experienced professionals
203k Eligible Property Types

- Owner-Occupied Homes Only
- 1 – 4 unit homes
- Townhomes
- PUDs
- Condominiums (Interior Renovations Only)
- Modular Homes
- HUD Foreclosures (special incentives apply)
Eligible 203k Buyer

- First-time Homebuyers
- Move Up Buyers
- Refinancing Owners
- No Maximum Income Limits

FLACDC
Florida Alliance of Community Development Corporations

First Guaranty Mortgage Corporation

First Guaranty Mortgage Corporation
New Approaches to Marketing
Benefits to Your Community

IMPROVE YOUR Neighborhoods!!!

- Turn vacant and/or outdated properties from eye-sores to a community asset!
- Overcome client excuses by providing an option
- Paint the picture for the buyer!
- Use contractors to draw-up plans or drawings for the potential renovation
- Your clients can close property in current condition
- **Allow clients to stay in their current neighborhood and improve the housing stock!**
This New Approach Works for Your Client if they:

- Are interested in REO and short sales
- Want to purchase a property that needs repair
  - Cure un-permitted additions
  - Out dated kitchens, bathrooms, etc.
  - Cracked slabs and foundation issues
- Are focused on saving time and money by financing the purchase with the cost of repairs
- Have low-to-moderate incomes
- Are interested in a specific neighborhood but can’t find the perfect property
Benefits to your client

- More Affordable with One Closing
- Get the Home You Want, the Way You Want It
- Get the Job Done Now, Not Down-the-Road

- Renovations
- Upgrades
- Customization
- Repairs
Doing Business with FGMC

Talk with one of our Mortgage Loan Specialists today!

We specialize in many loan products, including, but not limited to:

- FHA, VA, USDA, FannieMae HomePath, Conventional, & much more

We are ready to Use New Approaches to Homeownership with you NOW!
First Guaranty Mortgage Corporation

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