

Build Advantage

Turn a residential plan into a funded construction strategy.

1-4 UNITS | UP TO 90% LTC / 70% ACV

Who it is for

Investors and builders seeking eligible residential 1-4 unit construction financing. This program evaluates the land, approved plans, budget, construction team and repayment strategy together. A project should have an investment or business purpose rather than an owner-occupied consumer mortgage objective.

Ideal projects and transactions

A residential build with a supportable land basis, a detailed cost schedule and credible completed value. Explain whether the request includes acquiring land, paying off existing debt or funding construction on a parcel already owned. Those structures can create different closing advances and equity requirements.

Experience, credit and liquidity

The supplied flyer lists $2 million capacity, an indicated credit screen of 700, up to 90% LTC and 70% ACV. Up to 100% of eligible construction costs remains inside the total leverage caps. Qualification focuses on project feasibility and exit; no universal DSCR is stated. Prepare cash-to-close and post-closing liquidity separately. Disclose partner or borrowed funds and other active project obligations. The flyer does not establish a universal reserve or completed-project requirement.

BRING THE COMPLETE BUILD SCENARIO

Land + plans + budget + builder + completed value + exit

Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.

Build Advantage | Planning guide

Leverage and completed-value framework

LTC compares the loan with the lender's accepted project cost. ACV is the supported after-construction value; a percentage cap limits the loan relative to that value. The lower applicable constraint can govern. For illustration only, a $1 million eligible cost at 90% LTC implies $900,000, but a $1.2 million completed value at a 70% value cap implies $840,000 before other conditions. Neither calculation establishes approval. Confirm land valuation, eligible fees and any interest reserve before estimating the amount available at closing.

Program-specific execution planning

Confirm which hard and soft costs are eligible and how land equity is credited. A promise to finance eligible construction costs does not mean the lender will fund the entire acquisition, fees and reserves. Request a sources-and-uses schedule showing the closing advance separately from the future draw commitment.

Construction funding and draw mechanics

Construction funds are usually advanced in stages rather than paid in full at closing; confirm the actual structure offered. Request the inspection process, draw turnaround, documentation, charges, retainage and lien-waiver requirements. Ask whether reimbursement follows completed work and whether deposits or stored materials qualify. Maintain enough working capital to bridge invoices and draws. A budget increase or scope change needs review before funds are assumed available. Confirm how interest is calculated on advances and how any funded interest reserve affects the remaining commitment.

Property, location and permit considerations

Confirm zoning, legal access, utility capacity, surveys, site conditions and permit readiness. Flag demolition, grading, drainage, environmental concerns, flood exposure and unusual construction methods early. Land ownership or a contractor proposal alone does not establish a construction-ready site. Verify state and property eligibility before committing to a closing deadline. Assign responsibility for insurance, inspections and the approvals needed for a certificate of occupancy or its local equivalent.

Exits, contingencies and carrying costs

Choose the repayment path before closing: sale, rental stabilization and refinance, or another approved exit. Include financing costs, taxes, insurance, utilities and selling or refinance costs in the model. Stress a longer build, a cost overrun and a lower completed value. Ask about maturity, extension conditions and the funds needed if a sale or permanent loan is delayed. A future refinance, extension or full return of invested equity is not guaranteed.

Documentation to prepare

Start with the address, land acquisition date and basis, current value support, existing debt and requested loan amount. Add plans, permit status, a line-item construction budget, contingency, timeline, builder contract and completed-project history. Provide current photos for work already started and support for after-construction value. Include ownership/entity records, insurance plans and evidence of closing funds and reserves. Submit sensitive identity and financial documents through Karpata's secure process. Identify any information still being finalized rather than presenting a preliminary estimate as an approved item. Provide plans, permit status, a builder contract, construction budget and anticipated completed sales or rental support. Identify utilities, access, lot preparation and any existing liens. Explain how the project can reach completion if a cost category exceeds its approved budget.

Limitations and questions to resolve

All screens require borrower, property and program approval and may not apply together. Confirm the complete advance schedule, eligible costs, pricing, fees, guarantees, reserves, maturity and extension terms in writing. Program names do not establish eligibility for a property, borrower or construction stage. These are business-purpose investment options, not consumer home mortgages. Any permanent rental takeout requires its own underwriting. Final approved loan documents govern the transaction.

LET'S REVIEW YOUR NEXT CONSTRUCTION PROJECT

Request a quote | KarpataFinance.com | 480-846-1001

Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.