

Build Completion Advantage

Rebuild the capital plan around the remaining work.

COMPLETION / MID-CONSTRUCTION REFINANCE

Who it is for

Sponsors seeking a completion loan or mid-construction refinance after the original financing structure no longer fits. The review must explain what has been built, what remains, why the project needs new capital and how the revised plan reaches a credible payoff.

Ideal projects and transactions

A partially completed project with documented progress, verifiable remaining costs and a workable contractor plan. Disclose the reason for delay or replacement financing, including budget overruns, contractor disputes, expired permits or existing lender deadlines. A new loan does not erase those issues.

Experience, credit and liquidity

The flyer describes a selected route with an indicated credit screen of 650 and potential limits up to 90% LTC and 75% ACV. Loan capacity is tailored. Remaining-cost and completion feasibility govern review; the selected-route ceilings are not guaranteed for every stalled project. 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 Completion 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

Reconcile original budget, costs paid, work in place, outstanding invoices, existing loan payoff and remaining scope. An independent progress or cost-to-complete review may be requested. Ask how prior expenditures, accrued interest, liens and contingency affect usable completion proceeds.

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 current photos, inspection history, original and revised budgets, contractor agreements and a full debt/payoff picture. Identify unpaid suppliers, lien claims and permit status. If a contractor transition is needed, document responsibility for warranties, prior work and the remaining schedule.

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

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