

Construction Loans for Homes

Contributed by Sarah Freeland
Sunday, 24 December 2006
Last Updated Sunday, 24 December 2006

Finding construction loans for homes is not as easy as finding a regular home loan. This is because you are borrowing money for something that doesn't exist yet. To find the right loan program you will need to shop around, and ask many potential lenders a lot of questions about loan terms, rates, and requirements.

After you find a lender that offers construction loans for homes it is a good idea to start the pre-approval process. This process is a short handed version of what you will need to go through to get officially approved for a construction loan. This process will usually involve the lender asking you questions about your credit history, your FICO score, what type of collateral you have, and what type of property you plan on building. The lender will then use this information to determine if you qualify for any of their loan programs. If you are pre-approved for a construction loan then the lender will give you a dollar range of what you are qualified to borrow for your project. They will also tell you what interest rates and terms are attached to the loan programs that you qualify for. You can then use this information to find a property, architect, and contractor. However, to actually get the money from a construction loan the information that you provided to the lender will need to be verified. This is the qualification process.

If you are interested in construction loans for homes for a commercial project then you will need to look for a lender that offers real estate development loans. These loans are specially designed for providing real estate developers with the capital needed to complete their real estate projects. The benefits of these loan types are that they offer flexible terms and rates. The drawbacks of these loan types are that they are difficult to find, they can take a long time to put together, and they may require a large amount of collateral to qualify for one.

Richard Surber - News, press releases, investment information and updates for Richard Surber - Nexia Holdings, Landis Salon, Black Chandelier

Nexia Holdings - (OTCBB: NEXH), headquartered in Salt Lake City, Utah, is a diversified holdings company with operations in real estate, health & beauty, and fashion retail.

Visit our business directory for more information and resources.