



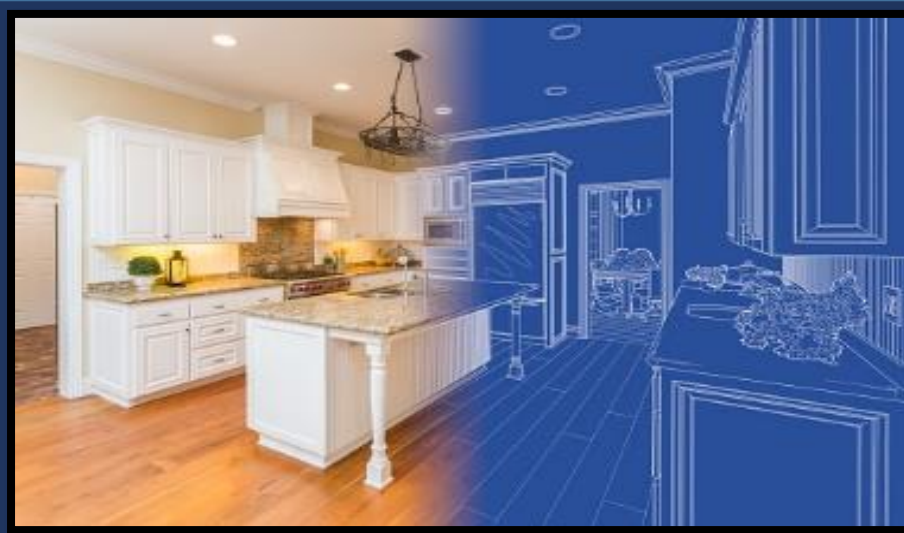
# Renovation Process Flow

Lender NMLS 21116 [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) Equity Prime Mortgage, LLC (EPM) is a wholesale residential mortgage lender and an approved lending institution. The company is GNMA issuer, FHLMC, FNMA seller/servicer, FHA Mortgagee, USDA National Lender, and VA Automatic Lender. This information is for Broker use only and is provided to assist business professionals.. This is not an advertisement extend to the consumer, as defined by Section 226.2 of Regulation Z – Equal Housing Lender. Equal Opportunity Employer.  
Corporate address: 5 Concourse Parkway, Suite 2250 Atlanta, GA 30328

Please visit our website for program guidelines and requirements: <https://epmwholesale.com>

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# Overview



- EPM offers a wide variety of Renovation options for all borrower needs
- Including:
  - FHA 203k Limited & Standard
  - Fannie Mae Homestyle Renovation
  - Freddie Mac CHOICE Renovation
  - VA Renovation
- Structural work requires a HUD Consultant
- Requires a General Contractor
- Self Help not allowed

# Renovation Process Flow



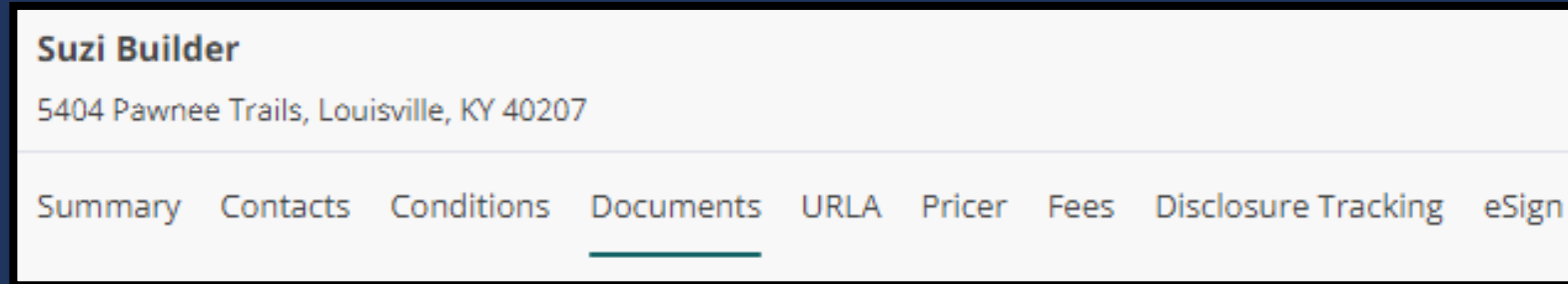
- Log into CORE - <https://epmcore.com/login>
- Register the loan

The screenshot shows the login interface for CORE, powered by EPM. At the top, the CORE logo is displayed with the tagline "empowered by" and the EPM logo. Below the logo, there are two input fields: "EMAIL" with an envelope icon and "PASSWORD" with a lock icon and a toggle for visibility. A green "LOGIN" button is positioned below the password field. Underneath the button, there are four links: "Don't have an account?", "REGISTER NOW", "REGISTER AS A REALTOR", and "FORGOT PASSWORD". At the bottom of the form, the EPM logo is shown, followed by the company name "Equity Prime Mortgage LLC", the address "5 Concourse Parkway, Queen Bldg, Ste 2250 Atlanta, GA 30328", the phone number "(877) 255-3554", and the copyright notice "Copyright © 2023. All rights reserved."

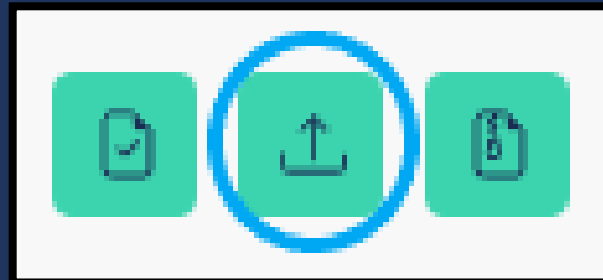
# Document Upload



Click on **Documents** on the top Tool Bar



Go to the **Green Document buttons** on the right side of the page



Click **Upload to Unassigned** and select your documents from your computer

# Disclosures

Disclosures Team will create the disclosure package based upon one of the following:

- **Maximum Mortgage Worksheet (MMW) or,**
- **Submission Sheet or,**
- **Contractor Bid\***

*\*Contractor bid will be required for submittal to underwriting.*



# Document Upload



Upload your Contractor Bid for UW Submission

**Required Document:**  
Standard 203(k) and Limited 203(k)  
-Bid Required from each contractor

**Contractor Bid**

56789 Construction Way, Anytown, CA 90000

Borrower name and property address required

Client  
Mr. & Mrs. Customer

**ABC Contractor**

License #: 123456  
800-222-9999

Proposal # 12345  
Proposal Date 2/17/17

Project Location  
Parcel # 012-987-01  
1234 Oak Street  
Anytown, CA 90000

Detailed itemization required for labor and material

Item	Description	Labor	Material	Contracted Amount
Permitting	Roofing permit	\$350.00	\$154.00	\$504.00
	All other permitting is included in subcontractor pricing			\$0.00
Plumbing	Install two electric water heaters	\$1,200.00	\$625.00	\$1,825.00
Well Drilling	Well piping	\$6,500.00	\$3,200.00	\$9,700.00
	Clay county permit		\$85.00	\$85.00
	Shallow well pump 1hp	\$250.00	\$1,239.10	\$1,489.10
	Deep well pump 1hp	\$250.00	\$1,603.10	\$1,853.10
HVAC	3.5 ton Tempstar heat pump and 3 ton Trane heat pump	\$3,275.00	\$5,600.00	\$8,875.00
Electrical	Make all repairs, install lighting, and hookup fixtures	\$2,500.00	\$1,250.00	\$3,750.00
Pool	Pump, filter, re-plumb, acid wash, and install new heat pump	\$1,000.00	\$500.00	\$1,500.00
Roof Repair	Replace missing shingles at front	\$650.00	\$150.00	\$800.00
Fascia Repair	Replace eve drip	\$450.00	\$35.00	\$485.00
	Replace damaged fascia	\$350.00	\$50.00	\$400.00
Drywall Repair	Foyer - wall repair	\$125.00	\$100.00	\$225.00
	Front corner office #2 - ceiling repair	\$125.00	\$100.00	\$225.00
	Family room - ceiling repair	\$125.00	\$100.00	\$225.00
	Dining room - ceiling and wall repair	\$250.00	\$200.00	\$450.00
	Kitchen - ceiling and wall repair	\$250.00	\$200.00	\$450.00
	Master Bedroom - wall repair	\$125.00	\$100.00	\$225.00
	Master bathroom - wall repair	\$125.00	\$100.00	\$225.00
	Bedroom 2 - wall repair	\$125.00	\$100.00	\$225.00
WDO Repair	Door trim on rear of home, fascia on right of home, trim at pool and roof sheathing	\$1,500.00	\$550.00	\$2,050.00
				\$0.00
Door Repair	Replace and install new hardware for all damaged and missing doors	\$850.00	\$450.00	\$1,300.00
Stove	Install new stove	\$150.00	\$450.00	\$600.00
	<b>Total</b>			<b>\$37,466.20</b>

Standard: This figure is used for the Work Write-Up. Figures MUST match.

Represents total labor and material costs

Terms and Conditions

# HUD CONSULTANT



For renovation/rehab work over \$35k\* (\*\$50k on VA Renovation) and/or structural, the Borrower must select an FHA-Approved 203(k) Consultant.

The link can be found at HUD.GOV: <https://entp.hud.gov/idapp/html/f17cnsldata.cfm>

- Consultant's fee range from \$400-\$1000+ depending on the dollar amount of the estimated work.

## **The Consultant Must:**

- Prepare a Feasibility Study (if requested)
- Inspect the property (using the 35 point checklist)
- Identify all required architectural exhibits (well certs, septic certs, termite reports, etc.)
- Inspect the work for completion and quality of workmanship at each draw request
- Review the proposed changes to the Work Write-Up and prepare a change order, if applicable
- Inform EPM of the progress of the rehabilitation and any problems that arise

# Submission



EPM Setup team will assign the loan to a Renovation Draw Specialist

The Renovation Draw Specialist will provide the contractor with the Contractor Validation Package – *within 24 hours of submittal to UW*

Once the Contractor Validation Package is returned, the Account Manager will upload to the file and submit the file back to the UW for review. Any corrections will be conditioned for by the Underwriter.

Broker/Correspondent is responsible for any revision requests for the Contractor Validation Package. Once revisions/additional items are provided, upload into the specific loan file.



# APPRAISAL



- Do **NOT** order the appraisal until the Contractor Validation Package has been cleared by the Renovation Draw Specialist
- Must document an “as completed” appraised value that estimates the value of the property after completion of the renovation work
- General Contractor estimate must be provided to the Appraisal Management Company (AMC)/Appraiser
- Specification of Repairs (SOR) required to be included in the appraisal report
- If the contractor bid changes, the updated bid must be added to the appraisal report and the appraiser to make any value updates (if applicable)
- An Appraisal Update and/or Completion Report (Form 1004D) as evidence of completion will be ordered once all renovation work is completed

**Note:** 2<sup>nd</sup> level review by EPM is required on any property with a C5 Property Condition Rating. Loan is subject to additional requirements/conditions.

# SUBMITTAL/APPROVAL



- EPM Underwriter will review Documents and Forms submitted
- Once the UW Approval is received – EPM Account Manager contacts the Broker/Correspondent to review the Renovation items and let them know the progress and what is still needed.
- EPM Underwriter will review Appraisal Report to confirm repairs are covered by the bid or SOR. If there are additional repairs needed, the UW will condition accordingly for the client to obtain.
- EPM reviews and clears Renovation U/W conditions.
- After closing, EPM's Renovation Draw Specialist sends out a Welcome Email to Borrower and Contractor.
- After the loan is closed the Draw Specialist reaches out to the Borrower to congratulate them on the closing and provide information about the draw process and what to expect going forward. The Draw Specialist is responsible for overseeing the project until the project is completed, and all permits are closed out.

# CLOSING/RENOVATION PERIOD

On Renovation under \$35K and non-structural, 50% of funds can be provided upfront. (5-7 business days for funds to hit after loan close)

On Renovation over \$35K and/or Structural, EPM will not disburse any funds prior to work being in place. Subsequent draw amounts will be based on inspections and percentage of completion.



Reminder:

- The renovation period starts when the Mortgage is funded
- The renovation must begin within 30 days of closing
- Borrower(s) must make their regular mortgage payments throughout the course of construction, unless mortgage payments are financed

# Renovation Timelines



Program	Start Time	Max Build Time
<b>FHA 203k Limited</b>	Must begin within 30 days of closing	3 Months
<b>FHA 203k Standard</b>	Must begin within 30 days of closing	6 Months
<b>Fannie Mae Homestyle Renovation</b>	Must begin within 30 days of closing	9 Months
<b>Freddie Mac CHOICE Renovation</b>	Must begin within 30 days of closing	9 Months
<b>VA Renovation</b>	Must begin within 30 days of closing	6 months



## CLOSING/RENOVATION PERIOD

- When all of the work is complete; The Borrower sends an email to the Renovation Draw Specialist
- Renovation Draw Specialist will send final documents to the Borrower and Contractor once repairs are completed.
- EPM will order the final compliance inspection from the original appraiser or AMC, if not available.
  - Final inspection not ordered on FHA 203k Standard
- Upon the receipt of the acceptable final inspection and forms, a final disbursement will be made to the contractor for the remaining balance of the estimate.
- All draws will be facilitated by way of ACH Transfer to the contractor.
- All remaining funds in escrow will be made as a principal reduction to the mortgage.

# Renovation Checklist



## EPM RENOVATION SUBMISSION CHECKLIST

Upon Initial Registration:

- Maximum Mortgage Worksheet (MMW) or Loan Submission Sheet **prior** to Initial Disclosures
- Contractor Bid on letterhead signed and dated as independent bid with itemization of labor and materials. **Bid must be signed and dated by borrower(s) and contractor.**
  - If the bid changes at any time, the updated bid must be requested by the broker/correspondent then provided to EPM.
- If the Renovation cost is over \$35K or Structural, Specification of Repairs (SOR) completed by Approved HUD Consultant
  - SOR to include all pages with cover sheet, Consultant Narrative, Consultant Identity of Interest, Scope of Repairs, Recap of Subtotal and 203k Draw Schedule. **Report must be signed and dated by borrower, contractor and HUD consultant.**
  - HUD Consultants can be found here:
    - <http://www.203khudconsultants.com/Search>
    - <https://entp.hud.gov/idapp/html/f17cnsldata.cfm>

*HUD Consultant would be paid by the Borrower upfront*

Once loan is submitted to EPM:

- Completed Contractor Validation Package – **Sent by Renovation Draw Specialist within 24 hours of Submittal to UW**
  - Complete W9 completed by contractor
  - Contractor License or proof of state licensing requirements
  - Contractor Insurance
    - A new Contractor Validation Package will be required if the Contractor changes

*Underwriter will not review until the Contractor Validation Package has been signed/completed.*

*Do NOT order the appraisal until the Contractor Validation Package has been reviewed/cleared.*

- Appraisal (Contractor Bid and SOR are **required** to be attached to the appraisal report)
  - If it is a Refinance, EPM would require an As Is & a Subject To appraisal (if property is owned for less than 12 months)
  - If the Contractor bid changes, the updated bid must be added to the appraisal report and the appraiser to make any value updates (if applicable)
    - **FHA/Conventional:**  
<https://epmequityprimemortgage.vmpclient.com/SignIn.aspx>
    - **VA:** <https://lgy.va.gov/lgyhub/>

*Broker/Correspondent is responsible for any correction/update requests on Contractor or Renovation documents*

*Account Manager (AM) will review documents in 24 hours of submission*

*Underwriter will review documents in 48 hours after AM submission*

- If following repairs/renovation are being completed, the following items will be required:
  - Adding another story/extending roof/structure, need an engineer inspection with invoice; Cost to be added to MMW
  - Changing design/layout; adding an extensive addition, need architectural plans and specs; provide invoice and cost to be added to MMW

Once all conditions have been cleared:

- EPM will send Homeowner/Contractor Agreement to be completed by contractor with total amount of repairs matched to final bid, and actual completion date listed on page 1; All pages signed and dated by contractor and borrower(s)
- EPM will complete the final Maximum Mortgage Worksheet (MMW)

# EPM Department Contacts



## Wholesale Sales:

- Kenny Phillips – SVP of Lending
  - [Kphillips@epm.net](mailto:Kphillips@epm.net) / 401-593-3276

## Wholesale Operations:

- Chris Lafferman – VP of Operations
  - [clafferman@epm.net](mailto:clafferman@epm.net)

## Disclosures:

- Stewart Chapman – Disclosure Desk Director
  - [schapman@epm.net](mailto:schapman@epm.net) / 615-439-7781

## Wholesale Underwriting:

- Phil Brousseau – VP of Underwriting
  - [Pbrousseau@epm.net](mailto:Pbrousseau@epm.net) / 413-313-4271

## Closing:

- [Closing@epm.net](mailto:Closing@epm.net)

## Servicing:

- [Servicing@epm.net](mailto:Servicing@epm.net)

## Scenarios:

- [Scenarios@epm.net](mailto:Scenarios@epm.net)

## Appraisals:





- [AppraisalDesk@epm.net](mailto:AppraisalDesk@epm.net)



## CONNECT WITH EPM

Get in Touch with Our Team  
We would love to hear from you!  
<https://epmwholesale.com>

	VISIT US <a href="https://epmwholesale.com">https://epmwholesale.com</a>
	CALL US (877)-446-0004
	EMAIL US <a href="mailto:AEWholesale@epm.net">AEWholesale@epm.net</a>

	FOLLOW US <a href="#">LINKEDIN</a>	
	FOLLOW US <a href="#">FACEBOOK</a>	
	FOLLOW US <a href="#">TWITTER</a>	
	FOLLOW US <a href="#">YOUTUBE</a>	

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# THANK YOU

## Equity Prime Mortgage, LLC