



May 2008
Volume 1, Issue 5



Something to Think About:

Building or remodeling your dream home can be an exciting and rewarding experience. Putting the right and complete team of experts together is truly essential for your success. Today, in this tight market, there are contractors who are making promises about prices that are unrealistic and they can not keep. As you select your contractor, a simple question to ask would be "do you get lien releases from the sub-contractors when they are paid for services rendered?" If you get these lien releases, it will assure you at the end of the building process that your home will not be encumbered by a lien for unpaid bills. Jennings & Julien requires that each subcontractor sign a lien release when they are paid. Our clients are invited to review these releases regularly to insure their peace of mind knowing that your new home will be lien

Remodeling?

It is always nice to move into a home where everything is new and still under manufacturer's warranty; the paint is fresh and no repairs will be needed for a long time to come. But sometimes this just isn't practical and in today's market, REMODELING may be a more cost effective approach. Jennings & Julien Construction feels that our "team concept" to building can

just as easily be applied to remodeling an existing home. We combine our efforts with that of the architect, the interior designer, the real estate agent, the subcontractors and the finance broker to ensure that the client's home meets their needs as well as provides substantial value for the dollars spent on the remodel. Let Jennings & Julien Construction be your remodeling experts.

Making Your Dream Home a Reality

As an essential member of your building team, your finance broker should help you secure the proper financing for your project. Jennings & Julien Construction believes that being fully informed about the loan process is critical to achieving its customer's complete satisfaction. John Williams, owner and CEO of Strategy First Mortgage, works closely with our clients to ensure that they receive the best information available for securing the optimum financing to complete their project. **Whether building a new home or considering a remodeling project, here are some things we feel you should know.**

Even in today's uncertain times and tighter credit market, attractive lot and construction loan programs still exist. However, since these loans and the options associated with them differ significantly from typical home purchase loans, under-

standing your options is critical.

What Lenders Look For - The construction loan is predicated upon a set of plans for a project yet to be built. Lenders look at the following: 1.) *The Borrower's* credit profile (income, assets, credit & equity investment); 2.) *The Builder's* experience, track record, insurance and contract with the borrower; and 3.) *The Project* details including plans, materials list, line item cost breakdown, appraised value of the completed project and the associated loan to cost and loan to value percentages. With over 30 years of experience, Jennings & Julien Construction can be instrumental in the development of these details and in assisting you to obtain your project financing

Buying the Land - In new construction, lenders prefer that you have purchased the land before obtaining the construction loan. The construction loan requires plans, a materials list and a line item cost break-





"Applying Team Strategies for
Unique Design & Exceptional Quality"

899 Embarcadero Drive Suite #1
El Dorado Hills, CA 95762
Phone: (916) 939-5323
Fax: (916) 939-5368
Contractor's License No. 740836

**Build or Remodel, the decision is yours —
Let Jennings & Julien show you the best options**

**This is an excellent time
to build or remodel**

- ✓ Interest rates are low
- ✓ Material and labor costs are down
- ✓ Contractors are motivated
- ✓ Obtaining a permit is faster than ever
- ✓ Lot cost are down

down in order to evaluate the project for a loan. Often these are predicated on the lot topography. Jennings & Julien Construction can assist you with lot selection, determining the dollars needed to prepare your lot for building and make suggestions as to the type of lot best suited for the style of home you desire.

Two primary options are available for lot purchase: to pay cash or obtain a lot loan. Typically the lot loan requires a 15-30% down payment, has a 2 to 5 year term and will generally be interest only. The loan interest rate is tied to the prime rate plus or minus some percentage subject to the fees charged. The best approach for you will depend on your unique situation and needs.

Your Dream Home - There are two ways to finance the construction project: 1.) Construction Only Loan, and 2.) Construction to Permanent Loan

The *Construction Only* loan provides the funds necessary to complete construction. At completion of the build process the borrower then seeks new permanent (take-out) financing. The *Construction to Permanent* Loan combines the construction financing and the permanent financing into a single loan. Advantages to this approach are that you only qualify once for the loan, there is only one closing and one set of escrow fees. Also you can lock in the interest rate on your permanent financing at the beginning of your project thereby insulating yourself from possibly adverse fluctuations in future interest rates and market conditions. Again, the best approach for you will depend on your unique situation and needs and current market conditions. Construction loans have numerous options and choices not present in a typical home loan. Jennings & Julien Construction and your mortgage broker can review your individual needs and assist you in determining your best loan choice to ensure a smooth solution to the financing component of your building experience.

In Summary - Many attractive construction loan options exist, even in today's tighter lending environment. For a complete analysis of your unique situation and needs, we highly recommend you explore your options with your Builder and a Construction Loan specialist. Whether building from the ground up or remodeling, the team of Jennings & Julien Construction and John Williams of Strategy First Mortgage can assist you in finding the best loan for your specific needs. **Contact Larry Jennings at (916)939-5323 or John Williams at (916)933-7047 for more information.**

**You Are Invited
FREE SEMINAR**

**Saturday
September 20, 2008
2:00pm-5:00pm
followed by
Cocktails & Hors d'oeuvres**

**RSVP
Jennings & Julien
(916) 939-5323
Call for further details**