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PROPERTY  
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## What is the HUD 203(k) Program?

Some of the best home values are bank-owned properties that need repairs. The Housing and Urban Development's (HUD) 203(k) renovation loan program allows home buyers to save money by including rehabilitation construction costs in their standard FHA home loan.

### What is the HUD 203(k) Renovation Loan Program?

The HUD 203(k) renovation loan program provides funds for both the purchase and renovation of a home packaged into one mortgage loan. Once the purchase of the home is closed, renovation funds are held in escrow to pay for pre-determined renovation work done by approved renovation contractors. The amount you can borrow is based on the appraised value *after remodeling*, not before, so you can get the money you need to fix up a fixer upper.

### Standard and Streamlined 203(k) Loans

HUD 203(k) loans are available in two types: Standard and Streamlined

The Standard 203(k) loan is intended for:

- Projects over \$35,000
- Projects that may require structural changes, design drawings, inspections or involves engineering

The Streamlined 203(k) loan is intended for:

- Less extensive improvements for projects that will not exceed \$35,000 in renovation and related expenses

### The Role of the HUD 203(k) Consultant/National Property Inspections Inspector

A HUD 203(k) Consultant is required on Standard 203(k) loans. The HUD 203(k) Consultant assists the home buyer by:

- Identifying items in need of repair, such as the roof, water heater, etc.
- Helping buyers compile and prioritize their "wish list" for renovations, such as new carpet, countertops, etc.
- Assisting buyers in gathering/reviewing contractor bids
- Completing draw and final inspections to ensure that the contractor is completing the work as requested

The consultant also works with the contractor and lender to develop a draw inspection schedule to complete the renovation.

For more information on the HUD 203(k) loan program, contact your National Property Inspections HUD 203(k) Consultant.