



# Build a Home for Mom, a Friend, or even generate income with an ADU

## What is an ADU?

An Accessory Dwelling Unit (ADU) is basically a second livable area on your property. It may be attached, but more commonly is detached from the primary residence. Recently, ADUs have gained popularity due to their attractiveness to AS homes for aging parents, adult children and as rentals.

## How can I finance an ADU?

ADU construction costs are typically too significant to comfortably pay out of pocket, but thanks to some recent changes to renovation loan programs, they can now be financed. Total Mortgage is an expert in financing ADUs whether you have equity in your home or not.

### HOMESTYLE LOAN

### FHA 203K REHAB LOAN

### CASH-OUT REFINANCE

	Homestyle Loan	203K Rehab Loan	Cash-Out Refinance
Benefits	<ul style="list-style-type: none"> <li>Minimal out-of-pocket renovation costs</li> <li>Fewer restrictions than an FHA 203k</li> <li>Single unit second homes and investment properties eligible</li> <li>Term length options available</li> </ul>	<ul style="list-style-type: none"> <li>Minimal out-of-pocket renovation costs</li> <li>The ability to make your house your own</li> <li>Low credit scores accepted</li> <li>Fixed rate, adjustable rate, and term length options available</li> </ul>	<ul style="list-style-type: none"> <li>The cash to put your plans in action</li> <li>Potential for a lower interest rate</li> <li>Potential for a lower monthly payment</li> <li>Your payment stays the same for the life of the loan</li> </ul>
Requirements	<ul style="list-style-type: none"> <li>Minimum credit score of 620</li> <li>Down payment of at least 5%</li> <li>Max debt to income ratio of 45%</li> <li>All improvements must become a permanent part of property</li> </ul>	<ul style="list-style-type: none"> <li>Minimum credit score of 620</li> <li>Max debt to income ratio of 43%</li> <li>Available for primary residences only</li> <li>All improvements must become a permanent part of property</li> </ul>	<ul style="list-style-type: none"> <li>LTV of at least 80% must be maintained</li> <li>An updated home appraisal</li> <li>A debt-to-income ratio under 45%</li> <li>A credit score of at least 620</li> </ul>

## Does an ADU add value to your house?

In high demand markets like southern Maine, ADUs can give homeowners some serious additional earning potential. If done properly, these earnings can exceed the financed cost of the renovation giving homeowners positive cash flow AND adding massive value to the home.

## We're the ADU experts. Contact me to learn more.



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