

203K Loan ~ Consultant Process

What you should know about a HUD 203K loan process! There are many steps to the process of a rehabilitation loan (203K). The following should help shed some light on the consultant's roll in the 203K loan process.

I. The First step, the HUD Consultant will inspect the subject property and provide your bank with a feasibility analysis to see if the property is eligible for a 203K loan. The inspector will be looking for required safety items to be repaired (i.e. broken windows, peeling paint, unsafe staircases ext...) as well as any requested repair items from you.



II. If moving forward you will need a certified and licensed contractor of your choice that will provide a bid for repairs (that the Consultant outlined) including your requested (wish list) of repairs. At this point the consultant will prepare what is known as the SOR (Specification of Repairs) that is required to commence the loan. Your contractor is also required to provide a "standards of practice" style bid form, which is outlined in the Contractors documentation packet.

III. Once the loan has been approved the contractor can begin work. Depending on the project type the consultant will be visiting the subject property various times to inspect the work performed and approve the contractor's draw requests for funds of the loan.



Our primary task is to assist you with questions and concerns along the way and keep all documentation moving in the proper direction to meet the requirements of the 203K loan process. We are here for you if at any time you have questions feel free to give us a call.