

Renovation Lending

Maximizing Profitability Through Alternative Products

MBAA National Secondary Market
Conference
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What is a Renovation Loan?

- **The best home improvement financing option available**
- **Fully disbursed first mortgage**
- **Based on “as improved value”**
- **With safeguards for the consumer and lender!**

Current Market

- **\$163 billion industry in 2002 and climbing!**
- **Lack of inventory for all buyers**
- **Changes to cash out rules**
- **Lender & Realtor liability issues**
- **Customers want and need financing options**

Where's the profitability?

- **Increase loan size by 25% to 30%**
- **Higher margin loans**
- **Supplemental Origination Fee**
- **Additional income exceed expenses**

Are these products for us?

- **Viable secondary market**
- **Limited competition**
- **Counter cyclical product**
- **Attract and retain top producers**
- **Marketing/advertising not required**

Getting started !

- **Make a management decision or survey sales staff for interest**
- **Evaluate and select investor/partner**
- **Determine existing level of expertise and system capabilities**
- **Create your “Blueprint for Success”**

Product Roll-out

- **Internal systems and operations**
- **Vendors and service providers**
- **Consultant screening and selection**
- **Origination and sales!**

Benefits

- **Borrowers get products they need and want**
- **You create and close more loans**
- **Larger - high margin - better quality loans!**

Next Step

Profit from our experience

Call

800.459.4850

For your “Blueprint for Success”!

