



Standard 203(k) Loan Step-by-Step Guide

Have questions? Please contact Essex Mortgage's 203K Coordinator :

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	Broker Process	Essex Mortgage Process	Contractor/HUD Consultant/Servicer process
STEP ONE:	Contact Essex's 203k Coordinator for an initial consult on procedures.	203k Coordinator will assist in determining type of 203K	
Contractor Selection & Registration	Broker assists in timely contractor selection by borrower.		Contractor completes and submits application and required attachments to Essex for approval.
Submission	Once at least a ballpark amount of repairs is established, Broker completes/submits loan for disclosures, and attaches all relevant and required documentation to determine project and borrower eligibility. This should be accomplished very early in the loan process.	Underwriter will review the proposed transaction and issue credit approval.	
Contractor Acceptance or Exception		Essex 203 Coordinator receives contractor application documents and communicates to broker missing items and approval or denial ultimately.	
Hud Consultant Selection and inspection	Broker to assist borrower in selecting HUD Consultant Per HUD's Approved Consultant List: https://entp.hud.gov/idapp/html/f17cnsldata.cfm		Once both Contractor and Borrower's loan application are approved a HUD Consultant is retained who will inspect the property and work with Contractor to finalize bid/scope of work.
Work Write Up & FHA 203(k) Documents	Broker obtains signatures from all parties on the scope of work and other 203K specific disclosures	Essex 203K Coordinator receives Work write up and reviews/approves.	HUD Consultant issues finalized bid/scope of work and various disclosures
Appraisal(s)	Broker orders after-value appraisal through Essex Appraisal desk. Note: on a refinance a 2nd AS-IS appraisal is required to completely finance the transaction with no out of pocket from the borrower.	Essex appraisal desk orders after-value appraisal submitting HUD C work write up and bid, and purchase contract if applicable.	
Underwriting Finalized		Underwriter reviews appraisal(s) and conditions and makes any last adjustments. All prior to document and prior to funding conditions cleared. Any construction related conditions are shared with Essex 203K Specialist	
Loan Documents		Essex draws documents including a funding recap to ensure payees are included accurately on Closing Disclosure	
Loan Closing	Broker and escrow provide remaining Prior to funding documents required.	Essex funds loan, providing funds for close per funding recap.	
Post-Close		Essex 203K Coordinator will conduct welcome call with borrower and contractor, providing contact information for inspections and draws, as well as first payment information.	203K Servicer will contact borrower with a welcome package including how to make future loan payments as well as the process for requesting inspections and draws when phases are completed on the project.
Draw Request			Borrower/Contractor will complete and 203K Servicer will receive, process, and forward all approved draw requests to Essex for underwriter review and approval through rehabilitation period closed-out.