

CHOOSING A HUD CONSULTANT

Renovation Loan

A HUD Consultant will be required to oversee your renovation project and will play a crucial role in the renovation and draw process. The Consultant will have experience as a contractor or home inspector and be thoroughly educated about the financing requirements, which add an extra layer of information and protection for all parties involved.

WHAT DO THEY DO

Before the loan closing...

INITIAL PROPERTY VISIT: Consultant will meet with you at the property

- Inspect the property and help determine which repairs are required to bring the property up to FHA minimum standards and if the project is feasible
- If the project is feasible, you will sign the Consultant Agreement and pay the HUD Consultant fee

WORK WRITE UP AND COST ESTIMATES: The HUD consultant then prepares a work write-up that reflects specifications on all of the repairs and improvements on the property. (required and desired)

- Clear, concise project specifications
- Construction cost analysis

After the loan closing...

DRAW REQUEST INSPECTIONS: Perform draw inspections, approve the draw amount, fills out required draw paperwork, and submits to lender. Depending on the completion of the work identified in write-up as per determined schedule, the consultant will make subsequent inspection visits.

A TYPICAL DRAW PLAN:

- 1st Draw - Consultant insures permits were issued.
- 2nd and 3rd Draw - Draw request inspections are performed as work progresses.
- 4th Draw - A punch list is established
- 5th Draw - The project is closed out and warranties and lien releases collected. 10% holdback is released.

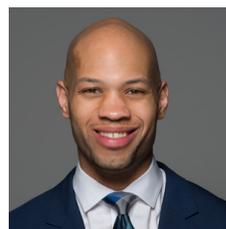
CHANGE ORDERS: Any extra or unforeseen costs will need to be approved by the Consultant, the Lender and you.

WHERE DO I FIND ONE?

The following link allows you to search the HUD Consultants by name and/or city and state. For a broad roster of consultants, enter a general criterion, e.g., State.



<https://entp.hud.gov/idapp/html/f17cnsltdata.cfm>



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