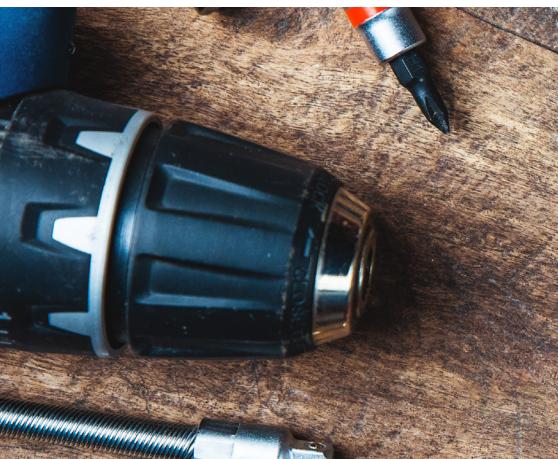




Fannie Mae®

HomeStyle® Renovation Case Study [AnnieMac](#)



AnnieMac Home Mortgage, (American Neighborhood Mortgage Acceptance Company, LLC NMLS# 338923), is a lender based in Mount Laurel, New Jersey, with branches throughout the U.S. The company provides a complete suite of mortgage solutions, with a department dedicated specifically to the underwriting and processing of renovation mortgages, like Fannie Mae's HomeStyle® Renovation.

AnnieMac believes that its customers deserve more from the mortgage industry, and that's evident as early on as the pre-qualification process, where loan originators introduce a broad range of product offerings to ensure that borrowers understand what's available to them.

"We know there's a lack of inventory in most areas. Borrowers can't always find a home that's turnkey, so we educate both borrowers and realtors about renovation options during pre-qualification," said Kevin Dolan, national sales director of construction and renovation lending at AnnieMac. "We plant the seed that borrowers can look at properties that need repairs and can finance with one loan and with a minimal down payment."

HomeStyle Renovation, which allows borrowers to finance renovations as part of a conventional mortgage, has been a cornerstone of AnnieMac's renovation mortgage offerings since they adopted it in 2013. The loan has been consistently increasing in volume over the last four years and it has become a staple in AnnieMac's suite of solutions.

"When a borrower qualifies for an FHA 203(k) and a HomeStyle Renovation loan, eight out of ten times a borrower will opt to go for HomeStyle due to lower upfront costs and cancellable MI," added Landy Garcia, who also serves as a national sales director of construction and renovation lending for AnnieMac.

"In the last 24 months, HomeStyle Renovation has been somewhat of a secret weapon for us."

Garcia and Dolan believe efficiency and flexibility play a critical role in HomeStyle Renovation: It's often quicker to close and allows for a wider variety of projects than the FHA 203(k) program. Homeowners can also use a HomeStyle Renovation mortgage to turn the home that they have into the home that they want.



"Many people are opting to stay in their homes and use a HomeStyle Renovation loan to add more square footage," Garcia said. "The beauty of HomeStyle is that you can tap into the new value of the renovated home as if it were equity."

Ultimately, what plays to AnnieMac's strengths is all of the options available with a HomeStyle Renovation mortgage.

"It isn't easy to borrow money, and when you throw in contractors it adds more complexity," Dolan said. "We engage our borrowers and hold their hand through the entire process, which creates relationships and, in the end, increases referrals."

Saving Upfront and Every Month

Alan was a first-time homebuyer, but he knew the home he was going to purchase wasn't everything he wanted it to be. Alan came to AnnieMac looking for an FHA 203(k) mortgage. Then his loan originator crunched the numbers.*

With a high FICO score, and a tight closing budget, a 203(k) would require 3.5 percent down and the .85 bps monthly mortgage insurance would have pushed Alan's DTI to 51 percent.

HomeStyle Renovation allowed Alan to put only 3 percent down and save 1.75 percent in upfront mortgage insurance. HomeStyle also required lower monthly mortgage insurance payments and those payments could be cancelled once he reached 80 percent equity. In the end, HomeStyle Renovation saved Alan money upfront and every month. He was able to add instant equity to his home through renovations with a DTI of 48 percent.

**To learn more about HomeStyle Renovation
[click here](#) or talk to your account representative.**

* Borrower names have been changed to protect privacy.