

PDC Community Renovation Loan

A purchase and renovation loan product for homebuyers in Portland.



Features/Benefits

If you're considering buying a home that needs some renovation work — like updates to the kitchen, bathroom or roof repair — Portland Development Commission (PDC) can help. PDC's Community Renovation Loan allows a borrower to purchase a home and finance the renovation work in a single loan!

PDC's Purchase and Renovation Loan is ideal if your property needs repairs or if you just want to make some improvements. With the right renovations, you may be able to add immediate value to your home or put your personal touch on a previously-owned home. Moreover, in situations where repairs are required before a loan can be closed, the PDC's Purchase and Renovation Loan is the perfect solution. That's because the appraisal is performed based on the work to be done, and the work is completed after the loan closes.

In addition, a PDC construction specialist is assigned to you during the renovation process to ensure all the improvements are completed properly and in a timely manner.

Eligibility Requirements

Eligible Borrower

- Must meet standard first mortgage criteria for credit and down payment
- Must have a minimum 5% for down payment *
- Must complete an approved home buyer education class

Eligible Property

- Must be located within the Portland city limits
- Must be owner-occupied during the life of the loan
- Single-family and 2-4 units * (one unit must be owner-occupied)
- Maximum loan amount is \$417,000; loan amounts and down payment requirements increase for 2-4 unit structures (one unit must be owner-occupied)

* Higher down payments required for 2-4 unit properties

Loan Terms

- Standard market interest rate, 15- and 30-year fixed terms
- Minimum down payment required – 5% of the total acquisition costs
- Appraisal performed based on an “after-improved” value of the property
- Maximum loan-to-value (LTV) - 95%; the appraisal must support the total of the purchase price plus the costs of improvements
- Private mortgage insurance (PMI) required on loans with LTV above 80%
- Renovation amount determined by actual bids/cost estimates; minimum renovation amount is \$5,000
- Property improvements must address any code violations; most permanent improvements and repairs qualify
- Work must be completed within six months of signing loan documents
- A PDC construction specialist is assigned to every loan to ensure all improvements are completed properly and in a timely manner

For more information call 503-823-3400,
e-mail nhp@pdc.us or visit www.pdc.us/nhp



Your partner for home purchase, repair & renovation

PDC Neighborhood Housing Program
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