



# Renovation ARV HELOCS

A New Solution for Today's Market

Powered by

**renofi** **Quorum**  
FEDERAL CREDIT UNION

# 2 party system

**Quorum**  
FEDERAL CREDIT UNION

Wholesale  
Lending Partner

- **Intakes Submission, Issues approval**
- **Underwrites Income, Asset, Credit conditions**
- **Closes and Funds line of credit**

**renofi**

3rd Party Renovation  
Underwriting (RU)

- **Underwrites ONLY the Reno conditions**
- **Provides project Supervision post-closing**

# 2 party system



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- **Submission & Credit Questions**

- **Renovation related questions**

# New Tool in the Kit

- ✓ FHA 203(k) , FNMA Homestyle, VA Reno, Freddie CHOICE, USDA Reno
- ✓ Construction Loans
- ✓ Hard Money, Personal
- ✓ Cashout, Home Equity Loan, HELOCs

**NEW** ARV HELOCs for major renos!



# What's an ARV HELOC?

- ✓ **Borrow up to 90%** of a property's After-Renovation Value
- ✓ **HELOC**
  - I/O Payment for **10 Year Draw Period**
  - 20 Year Amortization Afterward
- ✓ **Second Lien Position**, No Refinance of 1st Required
- ✓ **Borrower Paid Compensation** - can charge up to 2%
- ✓ **AVG Loan size \$250K**
- ✓ **No Draws or Inspections. No Consultant.**  
**No Permits prior to closing**



# What's an ARV HELOC?

## World's First HELOC based on ARV (AFTER-Renovated Value)

- ✓ Similar HELOC process and guides you're already familiar with
- ✓ Just adding a **Renovation Underwrite & Subject-To appraisal**



# General Guidelines

- ✓ “A Paper” Credit Profile (640+), Full Doc only, FNMA Income Calc
- ✓ Owner-Occupied and Second Homes only. 1-2 Units Only
- ✓ Max 150% CLTV As-IS, Max 90% CLTV After-Renovated ~ Lesser of 2 is Max LA
- ✓ 43% Max DTI, 45% for  $\geq 720$
- ✓ **Max Loan Amount = \$500,000**
- ✓ HELOC Rates = Prime + 0.25%-6%, Qualify @ Fully Amortized 20yr Payment

\*\*Rates as of June, 2024 and subject to market changes without notice.



# Eligible Renovations

- ✓ Additions / extensions
- ✓ Kitchen / Bathrooms
- ✓ Interior / Exterior Remodels
- ✓ Accessory Dwelling Units (ADUs)
- ✓ Decks/porches
- ✓ Roofing/Siding
- ✓ Outdoor improvements
- ✓ Pools

**The list goes on...**





# Ineligible Renovations

✗ Teardowns / Rebuilds



Renovations in Progress  
(case-by-case)

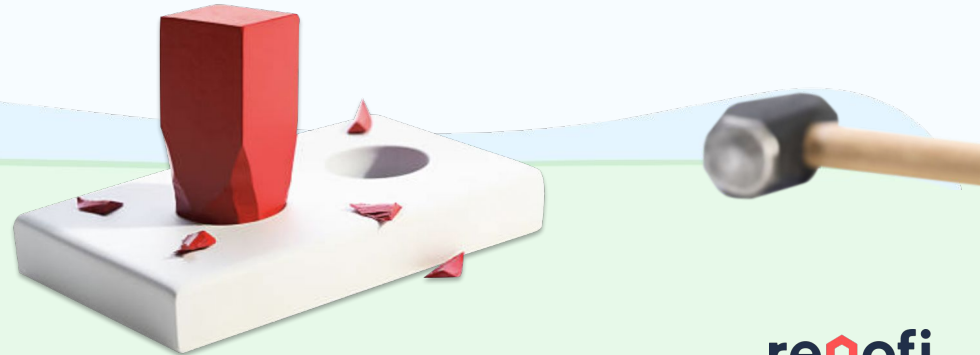


Uninhabitable condition  
(case-by-case)



# Not the right tool

- ✗ Not intended for purchase **appraisal**  
**curing of Health and Safety issues**
- ✗ Not intended for **jobs under 50K**



# 11x More Borrowing Power on avg



## Typical home loan

Current Home Value \$400,000

Current Mortgage \$315,000

## Tappable Equity

\$100K Renovation

\$135K

\$5K

Standard  
Home Loan

RenoFi Loan



## RenoFi loan

After Renovation Value \$500,000

Current Mortgage \$315,000

# Use Cases

## Current Homeowners



### Avoid Refi

- Borrower wants to Renovate and Keep their LOW first mortgage rate.
- Not Enough current Home Equity for Reno budget

## Prospective Homebuyers



### Win Contract

Competitive Market - Borrowers want renovations but need to close fast.

# Benefits to you!

- ✓ Prospect your Existing Database NOW - **Previous customers thinking Reno**
- ✓ Increase your Value to Realtors - **Ability to show a bigger pool of homes**
- ✓ Convert more Deals - **Up to 500K, higher Loan amount than alternatives**



# What we need

- ✓ Income, Credit, Asset Docs
- ✓ Renovation Docs

## Feasibility & Contractor Review

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- ✓ Detailed Cost Estimate
- ✓ Applicable Plans/Drawings

## Due Diligence Review

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- ✓ Contractor's Questionnaire
- ✓ Copy of License and Insurance



# How to Market

- ✓ Email Blast Existing Customer and Realtor Database = **IMMEDIATE RETURN**
- ✓ Realtor Sales Meeting Presentations, NEW Material
- ✓ Something NEW for Realtor Calls
- ✓ **Call largest Remodelers and ADU Builders (Associations)**
- ✓ Referrals for Mortgage Pros in your Network - Unique



# THANK YOU!

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**renofi**






# Process

# Quorum Partner Portal - Register for Credentials

- Visit [partners.quorumfcu.org](https://partners.quorumfcu.org).
- Under **Partner Portal**, fill out the Partner Portal New User Sign Up form to request credentials.
  - For information, view the [TPO Connect Resource Guide](#) >



The screenshot shows the Quorum Partner Portal website. The header includes the Quorum logo (FEDERAL CREDIT UNION) and navigation links for PRODUCTS, RESOURCES, LOAN SERVICING, PARTNER PORTAL, and PORTAL LOG IN. The main banner features the text "Quorum Partner Portal" and "Making bigger and better deals together." Below the banner, there is a section titled "Success is right at your fingertips." which describes the benefits of the portal. To the right of this section are two buttons: "Registered User Log In" and "New User Sign Up". At the bottom, there is a green button labeled "Click here for the Resource Guide".

**Quorum**  
FEDERAL CREDIT UNION

PRODUCTS RESOURCES LOAN SERVICING PARTNER PORTAL PORTAL LOG IN

## Quorum Partner Portal

Making bigger and better deals together.

### Success is right at your fingertips.

Introducing the Quorum Partner Portal, powered by TPO Connect. Simple, streamlined and efficient, it's ready to help you close more loans—and maximize profitability—faster than ever.

Take control with all your loans on a single platform and get the simplicity, visibility and flexibility you need to access key information and data at a glance.

It's time to increase your competitive advantage and close more loans for maximum profitability. Sign up today—it's fast and easy and help is just a click away.

**Registered User Log In**  
Existing users please log in here.  
**PORTAL LOG IN**

**New User Sign Up**  
New users please request access below.  
**SIGN UP NOW**

We look forward to putting our mortgage services to work for you! We help our business partners close loans for their borrowers efficiently and on time.

[Click here for the Resource Guide](#)

# TPO Registration & Submission

- Broker has the option to select the renovation product.

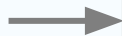
- **New TPO Fields:**

- Is this a Renovation HELOC? Yes/No
  - This field is a required field to register the loan.
- If **YES** is selected, all the questions to the right must be completed.

FIELD ID	DESCRIPTION	
CX.RENOVATIONCOST	What Is The Total Renovation Cost. <b>**This is a required field</b>	<input type="text"/>
CX.RENO.POSTRENOESTVAL	What Is The Projected Estimated Post-Renovation Value? <b>**This is a required field</b>	<input type="text"/>
CX.RENO.CONTRACTORID	Does The Borrower Have a Contractor Identified? <b>**This is a required field</b>	<input type="text" value="Select One"/>
CX.RENO.PRELIMCONSTAGREE	Does The Borrower Have a Preliminary Construction Agreement? <b>**This is a required field</b>	<input type="text" value="Select One"/>
CX.RENO.CONCOSTEST	Does The Borrower Have a Construction Cost Estimate? <b>**This is a required field</b>	<input type="text" value="Select One"/>
CX.RENO.ESTSTARTDATE	What Is The Estimated Renovation Start Date <b>**This is a required field</b>	<input type="text" value="MM / DD / YYYY"/>

# TPO Submission Steps

Step 1: Register the Loan  
Complete all fields on the Submission Verification screen.



Submission Verification

Select Borrower Pair  
Testcase Test

Step 1 - Start Submission

IMPORTANT! Please review/update the below and upload initial documents at time of submission.

Loan Type *	HELOC	Subject Property Occupancy Status *	Primary
Loan Amount *	216000	HELOC Initial Advance *	216000
Loan Purpose *	No Cash-Out Refi	HELOC Purpose *	Stand Alone
Subject Property Appraised Value *	1100000	Subject Property Estimated Value *	1000400
Subject Property Type Fannie Mae *	Detached	Subject Property Type *	1 Unit
Is this a Bridge Loan? *	No	Lien Position *	Subordinate
Estimated Closing Date *	12 / 30 / 2023	Is the Borrower's current principal residence pending sale? *	No
Was the Subject Property purchased in the last 6 months? *	No	Was the Subject Property listed in the last 6 months? *	No
Subject Property Estate Held *	Fee Simple	Relationship Vesting Type *	Individual
Borrower Citizenship *	US Citizen	Co-Borrower Citizenship *	US Citizen
TPO Processor Name *	ang	TPO Processor Email *	Angela.prospere@quorumfca.org
TPO Loan Officer/NMLS # *	11111		

Step 1 - Start Submission

## Step 2: Start Submission

Once verified, click "Step 1 – Start Submission."



### A pop-up will appear.

Finalize the selection by completing the following:

1. The amount of borrower paid compensation 0, .50%, 1%, 1.5% or 2%. **Once the file is registered this cannot be changed.**
2. Is this a Renovation Loan? Yes or No
3. Click Save.



Pop-up will appear after you hit the "Step 1 – Start Submission" button.

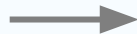
FIELD ID	REQUIRED FIELD NAME	FORM	FIELD
CX.BROKER...	Borrower Paid Broker Comp	Not available on Form	2
CX.RENOJS...	Is this a Renovation HELOC?	Not available on Form	Yes

Cancel Save

# TPO Submission Steps

## Step 3: Submit the Loan

Complete all required fields and upload documents.



## Submission Verification

### Required Fields


FIELD ID	DESCRIPTION	
CX.RENOVATIONCOST	What Is The Total Renovation Cost? **This	<input type="text"/>
CX.RENO.POSTRENOESTVAL	What Is The Projected Estimated Post-Renovation Value? **This	<input type="text"/>
CX.RENO.CONTRACTORID	Does The Borrower Have a Contractor Identified? **This	<input type="text" value="Select One"/>
CX.RENO.PRELI MCONSTAGREE	Does The Borrower Have a Preliminary Construction Agreement? **This	<input type="text" value="Select One"/>
CX.RENO.CONCOSTEST	Does The Borrower Have a Construction Cost Estimate? **This	<input type="text" value="Select One"/>
CX.RENO.ESTSTARTDATE	What Is The Estimated Renovation Start Date? **This	<input type="text" value="MM / DD / YYYY"/>

## Required documents needed:

- Renovation HE Certification and Acknowledgement Form
- Income documents according to the FNMA guidelines
- Mortgage statements for all properties owned
- Tax and insurance bills for non-escrowed loans

# Resources for your Clients

[Renovation HELOC Flyer >](#)



## RENOVATION HELOC

HOME IMPROVEMENT FINANCING, IMPROVED.


**Improve your home—without damaging your finances.**


It's a common problem: you purchased a home and want to renovate, but with the limited equity in your home, you're forced to tap into your savings or simple wait. Not anymore.

Quorum's Renovation HELOC is the only home improvement loan that boosts your borrowing power by calculating the after-renovation value of your home to determine how much you can borrow.

Whether you want to "take it down to the studs" or add a new kitchen countertop and appliances, our renovation HELOC helps you borrow more and tackle your entire renovation wish list.

**As a Quorum partner, I can make things happen.**





### Product Highlights


- 10-year draw
- 20-year repayment
- Minimum FICO 680
- Minimum loan amount: \$50,000
- Maximum loan amount: \$250,000
- No prepayment penalties
- No early termination fees

### Eligible Properties

- 1-2 Unit
- PUDs
- Warrantable Condos
- Townhouses

### Eligible Occupancy Types

- Primary Residence
- Second Home



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[Renovation HELOC Submission Checklist >](#)

## RENOVATION ROADMAP

1  
PREPARE DOCUMENTS

2  
SUBMIT DOCUMENTS

3  
WAIT FOR APPROVAL

4  
PAY APPRAISAL FEE

5  
START RENOVATING

**Ready to renovate?**  
Prepare the required documents listed below and submit them to enter email address here.

Checklist	Why You Need It	Document List
 <b>Contractor's Information</b>	RenoFi needs this to contact your contractor and perform basic due diligence.	<ul style="list-style-type: none"><li>• Name</li><li>• Email Address</li><li>• Phone Number</li><li>• Company Website</li></ul>
 <b>Detailed Cost Estimate</b>	Your appraiser needs this determine the after-renovation value of your home.	<ul style="list-style-type: none"><li>• General Scope of Work</li><li>• Subcategory Cost Breakdown</li><li>• Material Line-Item Cost Breakdown</li><li>• Labor Line-Item Cost Breakdown</li></ul>
 <b>Renovation Plans and Drawings</b>	Your appraiser needs this determine the after-renovation value of your home.	<ul style="list-style-type: none"><li>• Architectural Plans</li><li>• Structural Plans</li><li>• Additions Plans</li><li>• Front Elevation Plan</li><li>• Floor Plans</li><li>• Renderings</li><li>• Any Other Designs</li></ul>
 <b>Preliminary Renovation Contract</b>	Your appraiser needs this determine the after-renovation value of your home.	<ul style="list-style-type: none"><li>• Warranty Information</li><li>• Timelines</li><li>• Payment Schedule</li><li>• Change Order Procedures</li></ul>

**As a Quorum partner, I can make things happen.**





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# Renovation HELOC Matrix

## Rate Sheet

Renovation HELOC Rates								
Rates effective as of: 04/08/2024								
Current Prime Rate: 8.50%   Floor Rate: Rates cannot go below floor rate of 6.95%*								
Matrix is based on the After Renovated Value (ARV)								
CLTV %	0-60	60.01-70	70.01-80	80.01-85	85.01-90	Max Loan Amount > 85% CLTV	Max Loan Amount > 65% -85% CLTV	Max Loan Amount ≤ 65% CLTV
FICO								
800+	Prime - 0.25%	Prime + 0.00%	Prime + 0.25%	Prime + 0.50%	Prime + 1.24%	\$250,000	\$350,000	\$500,000
780-799	Prime + 0.25%	Prime + 0.25%	Prime + 0.50%	Prime + 0.75%	Prime + 1.49%	\$250,000	\$350,000	\$500,000
760-779	Prime + 0.50%	Prime + 0.75%	Prime + 1.00%	Prime + 1.25%	Prime + 2.00%	\$250,000	\$350,000	\$500,000
740-759	Prime + 0.75%	Prime + 1.00%	Prime + 1.25%	Prime + 1.375%	Prime + 2.125%	\$250,000	\$350,000	\$500,000
720-739	Prime + 1.50%	Prime + 1.50%	Prime + 1.75%	Prime + 1.875%	Prime + 2.375%	\$250,000	\$350,000	\$500,000
700-719	Prime + 2.50%	Prime + 2.50%	Prime + 2.75%	Prime + 3.25%	Prime + 4.00%	\$250,000	\$250,000	\$350,000
680-699	Prime + 3.25%	Prime + 3.375%	Prime + 3.50%	Prime + 3.625%	Prime + 5.00%	\$250,000	\$250,000	\$350,000
660-679	Prime + 4.75%	Prime + 5.00%	Prime + 5.50%	N/A	N/A	\$50,000	\$50,000	\$50,000
¹Rate Adjustments: Margin Add-Ons and Reductions								
Loan Amount ≤ \$50,000					0.500%			
Loan Amount > \$50,000					0.250%			
Second Home					0.500%			

# Fees

- **Quorum Fees**

- \$495 Origination Fee
- \$100 Processing Fee (except in states where processing fee is prohibited)
- \$7 Flood Cert Fee
- Approved wholesale partners will be eligible to charge borrower paid broker compensation (BPC) 0 to 2%.
- \$149.00 Supervision Fee

- **Other Fees**

- Appraisal: Ordered and fee collected by Renofi.



# Appendix

# Benefits to you!

- ✓ Prospect your Existing Database NOW - **Previous customers thinking Reno**
- ✓ Increase your Value to Realtors - **Ability to show a bigger pool of homes**
- ✓ Convert more Deals - **Up to 500K, higher Loan amount than alternatives**



# Campaign to Homeowners

## Keep the Rate & Renovate, Improve vs. Move

- ✓ Ask your existing database if they are thinking or still thinking about Renovations
- ✓ Increase in family size?  
Working from home permanently?
- ✓ Running out of space and thought about moving?  
[Want to increase value before selling?](#)
- ✓ Too low equity last time we checked?
- ✓ Keep the payment low with Interest only for during draw period - [frees up cash/ability to invest elsewhere. Can refi down the road.](#)
- ✓ Want to keep your low 1st Mortgage Rate?



# Campaign to Realtors

## Also works with Pre-approved & Prospective Homebuyers

- ✓ Want the ability to show your Clients more homes? Works for all your clients - even Jumbo
- ✓ Show more homes with the Vision to Renovate - paint the vision of what the home could be
- ✓ Want a solution for when the buyer is on the fence about condition/appeal of property?
- ✓ Want a way to show the potential of a property without a nightmare financing process?
- ✓ Get them in the property fast and complete renovations on longer unrushed timeframe.
- ✓ Can exceed FNMA Loan limit - Jumbo Renovation
- ✓ Want an EASIER alternative to Traditional Reno financing?
- ✓ Have contractor partners that will love an easier process?



# Campaign to Contractors

## Cut out the middleman, Less Hassle

- ✓ Would you like to work directly with the Client, and cut out the bank? Makes client a cash buyer. No Consultant or Inspections. Not inundated with calls from the LO and UW. Quicker process.
- ✓ Could you benefit from a longer timeframe to complete the project?
- ✓ Your clients can borrow more funds with this program, based on ARV.
- ✓ No cost to the contractor and ability to plan ahead.

