



Path Tips – Construction Loan: Land Owned by Borrower

To help you navigate through and perform some of the most common tasks in Path, here is a list of ways to do that in simple and easy-to-follow steps. Use these tips and tricks to take advantage of the vast resources provided in Path—what we call *Path Tips*.

This document is intended to walk Path users through a construction loan where the land is owned by the borrower.

Construction Loan: Land Owned by Borrower

1. Open a loan and go to **Production** > **Borrower** screen.
2. Scroll down to the **Liabilities** and **Property You Own** sections and review/confirm if the ownership of the land is free and clear or if the land has a lien against it.

The screenshot displays the 'Borrower' screen for a construction loan. The top navigation bar shows 'Loans' with a dropdown, the loan ID '53702--BORROWER OWNS LAND CONST...', and tabs for 'Production' and 'Borrower'. Below this, there are tabs for 'Send/Status', 'Summary', 'Application', 'Borrower', 'Closing Costs', 'URLA', 'Property', 'Product & Pricing', 'Transactions', and 'Contacts'. The main content area is divided into three sections:

- Other Liabilities and Expenses:** A table with columns 'Description', 'Type', 'Monthly Payment', 'Months Remaining', and 'Omit'. It shows 'No records'.
- Real Estate Liabilities:** A table with columns 'Type', 'Lien Position', 'Creditor', 'Account Number', 'Unpaid Balance', 'Monthly Payment', 'Months Remaining', 'PAC', 'Omit', and 'REO ID'. It shows 'No records'. A red callout box points to the 'PAC' column with the text: 'If the borrower has a lien against the land owned it should populate if it is listed on the credit report and marked to be Paid At Closing.'
- Property You Own:** A summary section showing:
 - Total Market Value: \$ 605,000.00
 - Total Monthly Payment: \$ 0.00
 - Total Gross Rent: \$ 0.00
 - Total Liens: \$ 0.00
 - Total Tax, Insurance, Maintenance: \$ 0.00
 - Total Net Rental Income: \$ 0.00
 Below this is a table with columns: REO ID, Address, Subject, Current, Status, Type, Market Value, Liens, Payment, Net Rental, and Associated Liability. A single row is shown for REO ID 1, Address 278 Sidney Clements Rd, Subject Yes, Current No, Status Retained, Type Land, Market Value \$ 605,000.00, Liens \$ 0.00, Payment \$ 0.00, Net Rental \$ 0.00, and Associated Liability No. A red callout box points to a plus icon in the 'Associated Liability' column with the text: 'If the borrower owns the land Free & Clear then click on the Plus Icon to add the Property to the REO Section.' Below this table is another table with columns: Type, Lien, Creditor, Account Number, Balance, Payment, Months Remaining, PAC, and Omit, showing 'No records'.

At the bottom, there is a 'Declarations and Demographics' section with a 'Declarations' sub-section. A row of buttons includes: Save, Delete, Main Contact, Swap Borrowers, VOA Invite, Convert to URLA, Copy Liability to Another Borrower, Change Liability Type, and Save.

NOTE: Based on the borrower's credit report, if the land owned by the borrower has a lien against it, it will be populated in the **Liabilities** > **Real Estate Liabilities** table, with the **PAC** (pay at closing) column indicating **Yes**.

3. If the borrower owns the land free and clear, click the add icon (+) corresponding to the table in the **Property You Own** section.

Construction Loan: Land Owned by Borrower

Property You Own

Subject Property

Current Residence

Type **2** Land

Address 278 Sidney Clements Rd

Unit Type

Unit Number

City Cumberland City

State TN ZIP 37050

Country

Status **3** Retained

Current Occupancy Primary Residence

Intended Occupancy Primary Residence

Number of Units 1

Market Value **4** \$ 605,000.00

Liens \$ 0.00

Gross Rental Income \$

Mortgage Payment \$ 0.00

Taxes, Ins., and Maintenance \$ 0.00

Occupancy Rate %

Ownership Percent 100.000%

Net Rental Income/Subject

Property Cash Flow

Associated Liabilities No

Save & Close **5**

If the address for the land is listed on the Property Tab when you click on the Subject Property the address will populate. All sections to be filled in accordingly

4. The **Property You Own** lightbox opens.

- A. Select the **Subject Property** checkbox and select **Land** from the **Type** dropdown menu.
- B. If not already completed, complete the address fields.
- C. Select the property's **Status**, **Current Occupancy**, and **Intended Occupancy**.

5. Next, go to **Production > Property > Subject Property Information** section and complete all applicable fields and dropdown menus.

NOTE: Ensure to select **Proposed** as the **Property Status**.

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Loans > 53702—BORROWER OWNS LAND CONST... > Production > Property

Send/Status Summary Application Borrower Closing Costs URLA Property Product & Pricing Transactions Contacts

Subject Property Information

Prequalification Same as Current Address Property Type: Single Family Residence

Address: 278 Sidney Clements Rd Attachment Type: Detached Estimated Property Value: \$ 605,000.00

Unit Type: [Dropdown] Number of Units: 1 Year Built: 2023 Appraised Value: \$ 605,000.00

Unit Number: [Input] Property Status: Proposed

City: Cumberland City APN: [Input] Property Location: Rural

State: TN ZIP: 37050 Subdivision: [Input] Project Information: [Input]

County: STEWART Lot Number: [Input] Bridge Loan Property: [Input]

Country: United States Mixed-Use Property: Not Situated in Jurisdiction:

Address Verification: [Click to Verify Address](#)

Latitude: [Input] Subject Property Rental Income

Longitude: [Input] Anticipated Gross Rent: \$ [Input]

Verified by USPS?: [Dropdown] Occupancy Rate: [Input] %

Property is in a Community Property State: Subject Property Cash Flow: \$ 0.00

Construction Loans should be marked as PROPOSED under Property Status.

6. Next, go to **Production > Product & Pricing > Loan Information** section.

- Select the applicable **Construction** option from the **Loan Purpose** dropdown menu, as this is what the CFPB allows for on the Loan Estimate.
- Enter the **Loan Term/Due In (months)** for both fields.
- Enter the **Monthly P&I**.
- Enter the **Sales Price**, which is the cost to complete the construction.

Loans > 53702—BORROWER OWNS LAND CONST... > Production > Product & Pricing

Send/Status Summary Application Borrower Closing Costs URLA Property Product & Pricing Transactions Contacts

Loan Information

Occupancy: Primary Residence

Lien Position: First

Loan Purpose: Construction-Perm

Other: [Input]

Refinance Type: [Dropdown]

Refinance Program: [Dropdown]

Other: [Input]

Loan Type: Conventional

Other: [Input]

Amortization Type: Fixed

Other: [Input]

Sales Price: \$ 365,483.00

Estimated Property Value: \$ 605,000.00

Appraised Value: \$ 605,000.00

Base Loan Amount: \$ 365,483.00

Total Loan Amount: \$ 365,483.00

Note Rate: 7.000 %

Loan Term/Due In (months): 360 360

Monthly P&I: \$ 2,431.57

Down Payment: 0.000 % | \$ 0.00

UFMIP/FF Financed: \$ 0.00

Borrower Financed Fees: \$ [Input]

Base LTV/CLTV: 60.410 %

Total LTV/CLTV: 60.410 %

HCLTV: 60.410 %

Qualifying Rate: 7.000 % | 0.000 %

Primary Housing/ Total Obligations: % | %

Simultaneous Sub-Lien Loan:

Link Loan: [Input]

Sales Price will be the cost to complete the Construction.

PATH will show the Monthly P&I and will show the Interest Only Payment on the Payment Schedule.

Construction Loan: Land Owned by Borrower

NOTE: Per CFPB Guideline, interest-only payments are counted by half.

Loan Information

Occupancy	Primary Residence	Sales Price	\$ 365,483.00	Base LTV/CLTV	60.410%	60.410%
Lien Position	First	Estimated Property Value	\$ 605,000.00	Total LTV/CLTV	60.410%	60.410%
Loan Purpose	Construction-Perm	Appraised Value	\$ 605,000.00	HCLTV		60.410%
Other		Base Loan Amount	\$ 365,483.00	Qualifying Rate	7.000%	\$ 0.00
Refinance Type		Total Loan Amount	\$ 365,483.00	Primary Housing/ Total Obligations	%	%
Refinance Program		Note Rate	7.000%	Simultaneous Sub-Lien Loan	<input type="checkbox"/>	
Other		Loan Term/Due In (months)	360	360		
Loan Type	Conventional	Monthly P&I	\$ 2,431.57	Link Loan	<input type="checkbox"/>	
Other		Down Payment	0.000%	0.00		
Amortization Type	Fixed	UFMIP/FF Financed	\$ 0.00			
Other		Borrower Financed Fees	\$			

Product Information

Loan Program: Starting Adjusted Rate: %

Loan Group: Discount/Rebate at Start: %

Product Code: DSI_CONV Program Number: PPE Credit Score:

Last Priced Date/Time:

Program Name:

Buttons: Save, Pricing, Programs, Copy from Link Loan, **Payment Schedule**

7. Click the **Payment Schedule** button to view the **Number of Payments** fields, which displays the sum of the term of the loan and the number of payments of the interest-only term.

EXAMPLE: Below shows an interest-only term for the first 12 months at half the monthly P&I. Then on the 13th month, the payment changes to the monthly P&I payment.

Payment Schedule

Number of Payments	372	Total Payments	\$ 888,153.49
Prepaid Finance Charge	\$ 10,554.67	Amount Financed	\$ 365,483.00
Finance Charge	\$ 533,225.16	APR	7.356%

Month	Date	Rate	Principal	Interest	Total Payment	Balance
4	11/01/2023	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
5	12/01/2023	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
6	01/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
7	02/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
8	03/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
9	04/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
10	05/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
11	06/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
12	07/01/2024	7.000%	\$ 1,065.99	\$ 0.00	\$ 1,065.99	\$ 365,483.00
13	08/01/2024	7.000%	\$ 2,431.57	\$ 0.00	\$ 2,431.57	\$ 365,183.41
14	09/01/2024	7.000%	\$ 2,431.57	\$ 301.33	\$ 2,732.90	\$ 364,882.08
15	10/01/2024	7.000%	\$ 2,431.57	\$ 303.09	\$ 2,734.66	\$ 364,578.99

Buttons: Close

Construction Loan: Land Owned by Borrower

Link to CFPB: https://files.consumerfinance.gov/f/documents/cfpb_trid-combined-construction-loan-guide.pdf

INTEREST ON THE AMOUNT ADVANCED	OR	INTEREST ON THE ENTIRE COMMITMENT
<p>Method: The creditor assumes 1/2 the commitment amount is outstanding for the entire construction period and multiplies that amount by the applicable contract interest rate.</p>		<p>The creditor can calculate the amount of interest payable during the construction phase by multiplying the entire commitment amount by the applicable contract interest rate for the construction phase.</p>

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TRID RULE: COMBINED CONSTRUCTION LOAN DISCLOSURE GUIDE

NOTE: Once the loan is indicated as a construction loan, it is reflected in **Compliance > Closing Costs > Loan Estimate** tab in the **Loan Terms > Purpose** dropdown menu.

The screenshot shows a software interface for loan management. At the top, there are navigation tabs: 'Loans', '53702--BORROWER OWNS LAND CONST...', 'Compliance', and 'Closing Costs'. Below these are several sub-tabs: 'Send/Status', 'Closing Costs', 'Other Disclosures', 'Disclosure Dates', 'Tolerance', 'QM', 'COC Request', 'COC Confirm', 'Custom Screen41', and 'Custom Screen'. The 'Loan Estimate' tab is selected and highlighted with a red box. Below the tabs, there are various input fields for 'Application Date', 'Date Issued', 'Closing Costs Expire', 'Lock Expire', 'Intend to Proceed', and 'Change of Circumstance'. At the bottom, the 'Loan Terms' section is visible, with the 'Purpose' dropdown menu open and 'Construction' selected, also highlighted with a red box. The dropdown menu lists 'Purchase', 'Refinance', 'Construction', and 'Home Equity Loan'. Below the dropdown, there are buttons for 'Save', 'Issue LE', 'Intend To Proceed Confirmed', 'Compare Fees', and 'View Form'.

EXAMPLE: Loan Estimate for a 12-month interest-only construction loan.

Construction Loan: Land Owned by Borrower

id 1 of 3

Calyx Path

3500 Maple Ave, Building, 500 Dallas, TX 75219 Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED: [Redacted]

APPLICANTS: BORROWER OWNS LAND CONSTRUCTION
217 Vaughn Ln
Cumberland City, TN 37050

PROPERTY: 278 Sidney Clements Rd
Cumberland City, TN 37050

SALE PRICE: \$ 365,483

LOAN TERM: 31 years
PURPOSE: Construction
PRODUCT: Fixed Rate

LOAN TYPE: Conventional FHA VA _____

LOAN ID #: 53702

RATE LOCK: NO YES, until _____

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on _____ at _____.

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$ 365,483	No
Interest Rate	7%	No
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$ 1,065.99	No
		Includes only interest and no principal until month 12.00
Prepayment Penalty	No	
Balloon Payment	No	

Projected Payments	Year 1	Years 2 - 31
Payment Calculation		
Principal & Interest	\$ 1,065.99	\$ 2,431.57
Mortgage Insurance	+ -	+ -
Estimated Escrow <small>Amount can increase over time</small>	+ 0	+ 0
Estimated Total Monthly Payment	\$ 1,066	\$ 2,432

Loan Term will be the Term of Loan plus the term of the Interest Only.

Monthly P&I Payment must have the I/O number of months listed.

Year 1 will be the I/O Payment and year 2 and remaining term will be the monthly P&I payment.

- Go to **Production > Product & Pricing > Rate Adjustments > Payment Adjustments** section and follow your company guidelines on how to close construction loans by completing the applicable fields.

NOTE: Do not complete the interest-only fields for construction loans in the **Payment Adjustments** section.

Loans 53702 - BORROWER OWNS LAND CONST...

Production Product & Pricing

Send/Status Summary Application Borrower Closing Costs URLA Property Product & Pricing Transactions Contacts Additional Tracking

Remaining Balance

Rate Adjustments

1st Period Cap %

Months to 1st Rate Adjustment

Periodic Rate Cap %

Months Periodic Adjustment

Lifetime Cap %

Margin %

Index %

Index Date

Index Type

Index Type Detail

Other

Alt. Index %

Floor Rate %

Rounding Type

Rounding Factor %

Payment Adjustments

~~Interest Only~~

~~Interest Only~~

~~Interest Only Term~~ (months)

~~Initial Payment Rate~~

Initial Payment Rate Period (months)

Interest Calculation Type

Buydown

Type

1 % Months

2 % Months

3 % Months

4 % Months

5 % Months

Temporary Buydown Amount \$ 0.00

Paid By

Date From

Graduated Payment Mortgage

Rate % Term Years

Down Payment Assistance Program

Down Payment Assistance Program

Principal Forgiveness %

Every Months

Bi-Weekly Payment

Payment Deferred for At Least First 5 years

Adjustment Cap 0.000%

Adjustment Period (months)

Recast Period (months)

Recast Stop (months)

Max Loan Balance Percent %

Qualifying at Max Adj. Loan Balance

Additional Payment

Note: Please follow your company guidelines on how you close Construction Loans. If a lender will use a **Payment Adjustments > Interest Only** it will **(NOT)** be done on this screen for Construction Loans.

Note: If your company will use **ARM Rate Adjustments** on the Construction Loans we recommend a **ARM Template** be used.

- Refer to your company guidelines if the **Additional Product Information** section needs to be completed, such as balloon loans.

Construction Loan: Land Owned by Borrower

Additional Product Information

Prepayment Penalty
 Prepayment Penalty Term
 Assumable
 Balloon
 HELOC
 Jumbo

Non-Prime
 Refundable Finance Charge
 Hedge
 Automatic Payment
 Conforming/Non-Conforming
 Other Loan Feature
 Other

Convertible
 Conversion Fee
 Negative Amortization
 Expanded Approval Level
 Interest Basis
 Do Not Extend Loan Term by Odd Days

Pricing

Non QM Parameters
 Income Verification Type

VA Loan Parameter for Pricing
 Veteran Type

Optimal Blue Custom fields
 Copy from Configuration

10. Go to **Production > Closing Costs > Fees** tab and complete the **First Payment Date**, in order to properly calculate an interest-only construction loan.

NOTE: The **First Payment Date** is the first payment date of the permanent loan.

11. Go to **Production > Construction** screen to complete the **Summary** section.

NOTE: Complete the fields shown below highlighted in yellow. Depending on how the yellow-highlighted fields are completed, the blue-highlighted fields are automatically calculated and populated.

Summary

Construction Loan Purpose: Refinance
 Construction Financing Option: Improvements
 Construction Interest Rate: 7.000%
 Loan Amount: \$ 365,483.00
 Construction Months: 12
 From Date: 08/01/2023
 To Date: 08/01/2024
 Days: 366
 Construction Holdback:

Conversion of Contract for Deed or Land Contract
 Renovation
 Construction-Conversion/Construction-Perm
 Const-Perm Closing Feature
 Const-Perm Closing Type

Automatic Conversion

Lot Acquired Date: 08/26/2022
 Original Cost of Lot: \$ 83,900.00
 a. Present Value of Lot: \$ 155,000.00
 b. Cost of Improvements: \$ 501,080.00
 Total (a + b): \$ 656,080.00
 Paid-Off Date:
 Total Accrued Interest: \$ 0.00

Transactions

Type	Description	Deposit	Construction Draw	Int. Draw	Other Draw	Accrue	Per Diem	Request Date	Disb
No records									

Construction Fees