



 | Mortgage

Plan. Budget. Refresh:

YOUR HOME RENOVATION GUIDE

RENOVATE WITH CONFIDENCE

Whether you're dreaming of a new kitchen, opening up your floorplan, or restoring a home that needs some TLC, renovation is your chance to reimagine your space. But without the right team behind you, the process can feel overwhelming.

That's where this guide comes in! We'll walk you through how to plan your renovation, fund it with the right loan, and partner with professionals who understand the ins and outs of home improvements, so you can renovate with clarity, confidence, and peace of mind.

A Blueprint of What's Inside



Expanding Possibilities: The Power of Renovation Loans	4
The Hidden Value of Renovation Loans	4
Renovation Loans Open Doors	5
Your Renovation Loan Roadmap	6
Transform Your Home with the Right Loan	7
Your Remodeling Planning Checklist	8
Building Your Budget	9
Choosing the Right Contractor	10
Why Your Lender's Experience Matters	11



Expanding Possibilities: The Power of Renovation Loans

Buying a move-in-ready home isn't the only path to homeownership. Renovation loans allow you to purchase or refinance a property and roll the cost of improvements into one loan. This means you can consider homes that need a little TLC and transform them into your dream home. Whether you're buying your first house, upgrading your current space, or investing in a fixer-upper, renovation loans give you the flexibility to think bigger!

THE HIDDEN VALUE OF RENOVATION LOANS

Renovation financing offers advantages beyond simple upgrades. With a single loan and monthly payment, you avoid taking out high-interest credit cards or personal loans to fund repairs. You also get the benefit of building equity as improvements add value to your property. Key benefits include:

- Convenience of one loan and one closing
- Potential to increase home value
- Ability to make needed repairs right away
- Hire a professional and free up your time
- Customize a home to fit your lifestyle

Renovation Loans Open Doors!

IF YOU'RE LOOKING TO BUY:

In a competitive housing market, move-in-ready homes are often scarce or come with a high price tag. Renovation loans open up your options by allowing you to consider homes others may overlook. Instead of competing over perfect listings, you can turn a “maybe” into a “yes”—and do it on your terms. For buyers struggling with affordability or inventory, renovation loans can be a game-changing strategy.

IF YOU'RE LOOKING TO STAY:

Feeling rate-locked? Renovation loans help you upgrade the home you love without sacrificing your current mortgage rate. It's a smart strategy for homeowners looking for more room, function, or style, without the hassle of moving. By financing your improvements into one loan, you can transform your existing home into your forever home.



Your Renovation Loan Roadmap

Renovating your home is an exciting opportunity to transform your space to match your vision and lifestyle. While the renovation loan process is a bit different from a traditional mortgage, you can move forward with confidence knowing our experienced team will be by your side every step of the way, helping to ensure your project is properly funded and set up for success.

GET PRE-APPROVED – Understand your budget and explore the right renovation loan options.

FIND THE RIGHT HOME – Whether you're purchasing or refinancing, identify the property that fits your vision.

MAKE AN OFFER – Secure the home and prepare for the renovation planning process (Skip this step if you already own the home).

SELECT A LICENSED CONTRACTOR – Choose a professional who aligns with your goals and meets lender requirements.

SUBMIT PLANS AND BIDS – Work with your contractor to obtain detailed renovation plans and cost estimates.

APPRAISAL ORDER – Your lender will order an appraisal based on the home's "after-renovation" value.

LOAN PROCESSING & UNDERWRITING – We'll handle the details and review all documentation for final approval.

CLOSE ON YOUR LOAN – Finalize the paperwork; renovation funds are placed in escrow.

RENOVATION BEGINS – Work kicks off! Funds are released in stages as progress is made.

FINAL INSPECTION – A post-project review is conducted to confirm work was completed accordingly to plan.

From start to finish, we're here to simplify the process and support your renovation journey. Let's bring your dream home to life, one step at a time.

Transform Your Home with the Right Loan

Whether you're fixing up your current home or purchasing a property with potential, a renovation loan opens the door to flexible financing to help make it yours. The funds can be used for a variety of projects, including:

- Roofs, Gutters, Down Spouts
- Heating & Cooling Systems
- Plumbing & Electrical Systems
- Kitchen, Bathroom, & Basement Remodeling
- Window & Door Replacement
- Carpet & Flooring
- Painting & Siding
- Foundation & Water Damage

Here's a breakdown of the most common renovation loan types to help you make a confident, informed decision:

RENOVATION HOME LOAN OPTIONS				
	FNMA Homestyle® Renovation	FHA 203(k) Standard ¹	FHA 203(k) Limited	VA ³ Renovation
Property Type	Primary Residence, Second Homes and Investor Properties	Most Residential Properties		
Property Requirements	1–4 Unit Primary Residence; 1 Unit Second Home; 1 Unit Investment	Single-Family Home; 1–4 Units		Single-Family Home; 1–2 Units
Loan Type	Purchase or Refinance			
Minimum Renovation Amount	None	\$5,000	None	None
Maximum Renovation Limit	75% of the Appraised Value as completed ²	No Limit on Repair Amount ²	Up to \$75,000 in renovation costs, including renovation fees	Up to \$50,000 in renovation costs, including renovation fees
Loan Type	Conventional	FHA	FHA	VA

¹Requires HUD Consultant selected by SWBC Mortgage | ²For purchase transactions, 75% of the lesser of the Purchase Price or Appraised Value as completed | ³Contact your loan officer for details on eligibility requirements

Your Remodeling Planning Checklist

This checklist is designed to help you evaluate key areas of your home that may need attention. By identifying which repairs or upgrades will add the most value, comfort, and functionality, you can prioritize what matters most. Taking the time to go room by room will help you build a clear, realistic plan and budget, setting the stage for a successful renovation that brings your dream home to life.

	KEEP	REPAIR	REPLACE	ROOM	NOTES
ROOF					
FLOORS					
WINDOWS					
DOORS					
FIXTURES					
APPLIANCES					
PAINT					
PLUMBING					
ELECTRICAL					
WATER					
INSULATION					
FLOORPLAN					
EXTERIOR					



Building Your Budget

Once you've outlined your renovation goals, it's time to set a realistic budget. According to HomeAdvisor, the average multi-room renovation costs \$52,243, with kitchens and bathrooms at the higher end¹.

THINGS TO CONSIDER:

YOUR TIMELINE – If this is your forever home, a larger investment might make sense. If you plan to move in a few years, a smaller project may be a better option.

FINANCING OPTIONS – Bigger projects often require financing. A renovation loan could be a great solution—we can help you understand your options!

NEIGHBORHOOD HOME VALUES – Make sure your upgrades align with your area. Over-improving can make it harder to sell later. A real estate agent can help you assess what make sense locally. Need a referral to a local, experienced agent? We can connect you!

HIDDEN COSTS – Adding square footage can increase utility bills, insurance, and maintenance. Factor these into your budget upfront.

Planning ahead and working with the right professionals can help keep your project on track and your investment smart.

¹Source: <https://www.homeadvisor.com/cost/additions-and-remodels/remodel-multiple-rooms/>

Choosing the Right Contractor

Once you've planned your renovation and set your budget, it's time to find a contractor. With so many options out there, asking the right questions can help you hire with confidence.

HERE ARE 10 KEY QUESTIONS TO ASK:

- 1. HOW LONG HAVE YOU BEEN IN BUSINESS?** Understand your budget and explore the right renovation loan options.
- 2. ARE YOU LICENSED?** Ask to see their license and confirm it's valid. Unlicensed contractors can't pull permits, which could delay your project.
- 3. ARE YOU INSURED?** They should carry general liability and workers' comp insurance. Verify coverage is current and sufficient. We suggest a minimum of a \$500,000 policy.
- 4. CAN I GET A WRITTEN BID?** Always get an itemized, written estimate with an expiration date. Collect at least three bids to compare costs and scope.
- 5. CAN YOU PROVIDE REFERENCES?** Call past clients, especially from 1–5 years ago, to see how the work has held up.
- 6. WHAT KIND OF WARRANTY DO YOU OFFER?** Get a written warranty detailing what's covered and for how long. We do not suggest accepting a verbal promise.
- 7. WHAT'S THE PROJECT SCHEDULE?** Request a clear timeline with key milestones and deadlines to keep things on track.
- 8. WHO'S MANAGING THE JOB?** Know who's supervising daily work, communicating with you, and securing the site.
- 9. HOW CAN I REACH YOU AFTER HOURS?** Exchange all contact info to ensure open communication, even in emergencies.
- 10. WHAT'S THE PAYMENT PLAN AND END-OF-JOB DOCUMENTATION?** Never pay in full upfront. Tie payments to progress and hold the final payment until all work is complete. Ask for final documents like inspection reports, operation manuals, warranties, list of subcontractors, and as-built drawings.

Why Your Lender's Experience Matters

When it comes to financing a home renovation project, experience makes a difference. At **SWBC Mortgage**, we've been serving communities nationwide since 1988. Renovation loans require a specific set of knowledge, timelines, and coordination, and our team knows how to guide you through the process with clarity and confidence.

Working with an experienced lender means more than just getting a loan. It means receiving personalized service, open communication, and professional guidance every step of the way. We take the time to explain your loan options in plain language and help you understand how each one fits your unique financial goals, whether you're a first-time buyer or a long-time homeowner.

Choosing a lender isn't just about rates; it's about trust and support. Our loan officers are dedicated to building real relationships, offering honest advice, and helping you navigate every decision with confidence. With SWBC Mortgage, you get more than a mortgage—you gain a trusted partner committed to your success.





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