Financing Tiny Homes

By Kendall Phillips & Henry Palma

LIBERTY BANK

SINCE 1956

Since 1956, Liberty Bank has been supporting small businesses and homeowners in the Salt Lake City area.

Liberty is a FDIC Insured and an approved Equal Housing Lender, Which, makes Liberty the perfect bank for all your homeowner needs.

Liberty Bank, expanded into financing Tiny Homes 4 years ago. We are excited to continue helping to provide funding for affordable housing in this new and expanding industry.
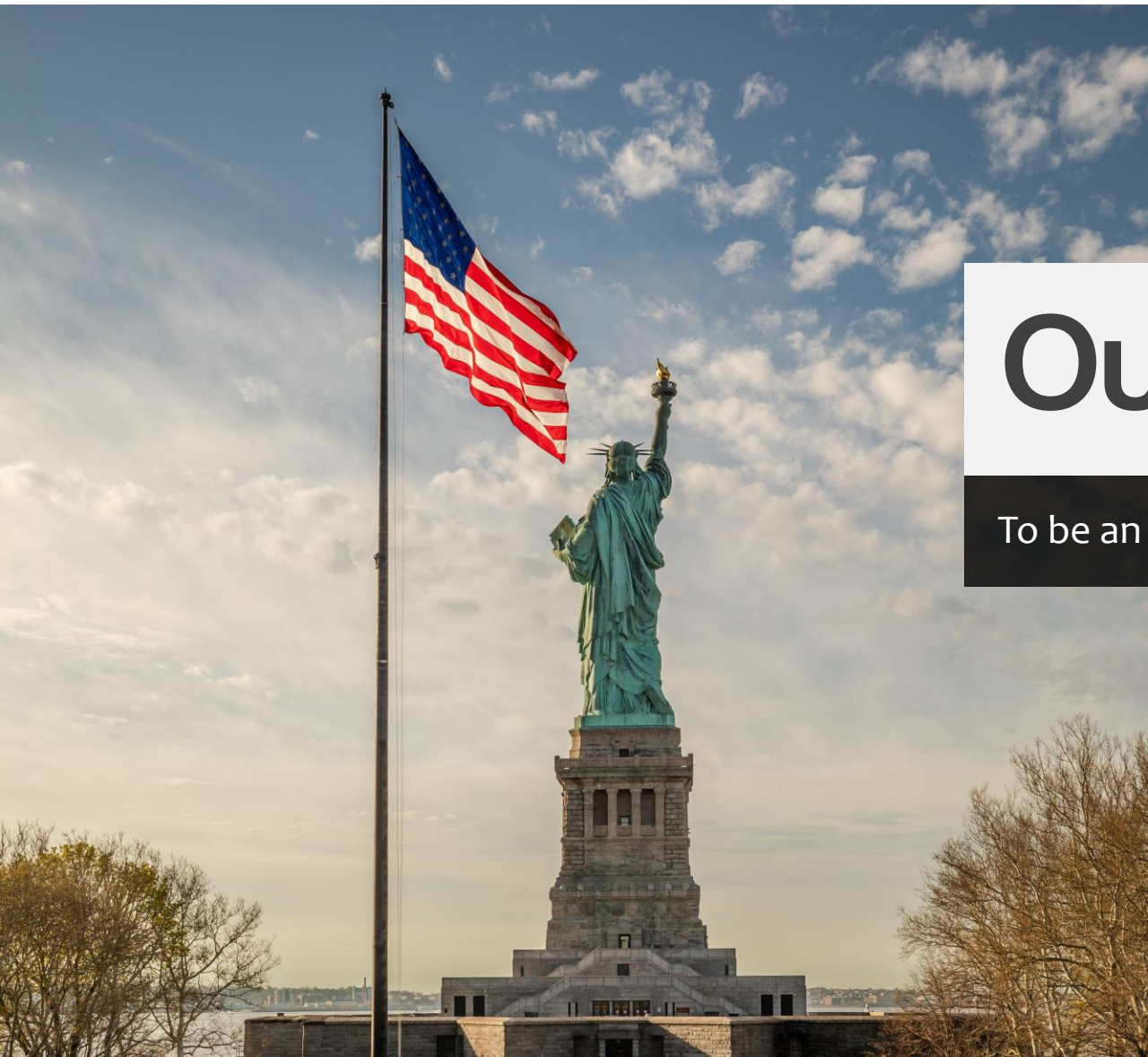
About Us

Two biggest challenge in the Tiny Home industry:

- A location for the Tiny Home
- Affordable Financing

TREY
research

Our Mission

To be an engaged and an energetic lender in the Tiny Home industry

- Help provide funding for affordable housing. There is an old saying, it is only a house until you make it a home.

- Create and Provide Jobs by providing financing needed for builders and dealers.

TREY
research

Consumer Financing

- 20% down payment
- We have terms to fit the customers needs 5, 10, 15 and 23 Years*
- Minimum 650 FICO score
- Rates vary from 6% to 10%
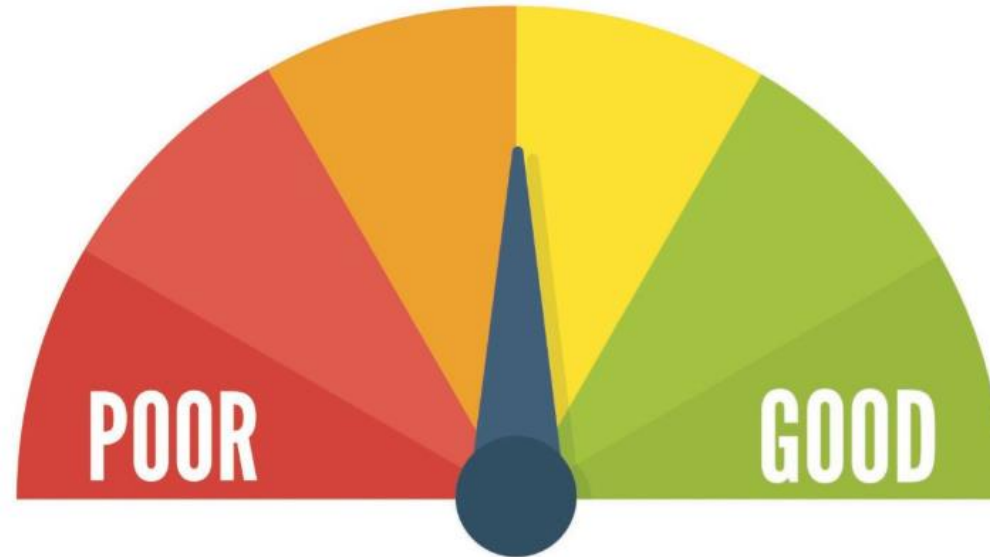
* Must meet IRC standard, rates are affected by term and credit score

TREY
research

What is the process to pre-qualify a client?

- 2 current paystubs

- 2 current banks statements

- Copy of tax return and recent W-2

- Government ID

TREY
research

Funding the Loan

Checklist:

- Insurance for the Tiny Home
- Verification of Down payment
- Confirmation of DMV fees
- Inspection of the finished Tiny Home
- The applicant must be employed at the time of funding/closing
- Signed closing docs by the client

We 100% service the loans

Inspection of the Tiny Home

We will use a 3rd party inspectors, to do a virtual inspection of the Tiny Home build:

- Photos of the outside, inside, VIN #, etc.
- Verify VIN#'s match the sales agreement.
- Tiny Homes must follow ANSI, NFPA or IRC standard

- The Tiny Home must have a copy of the inspection report as part of the closing package.

TREY
research

Strive for the best of the best

Inspection Procedure

What makes an:
Incredible builder in the Tiny Home Industry ?

- Passionate about Tiny Homes.
- Loving their trade and educating the youth about jobs in the industry.
- Professional knowledge on products and code requirements.
- We've learned from many of you builders, inspectors, appraisers in a very collaborative way and I thank you for the feedback.
- Regulation will catch up to the standards- Right now, The Tiny Home Industry is still in the infancy stage. It's not a matter of "if" but when…

Loan to Builders

- We finance the builders for construction loans of Tiny Homes

Approved Builders

We will finance New Tiny Homes from our ever expanding
approved builder list and we refinance
used Tiny Homes as well.

The Loan officer and the Marketing coordinator will work
directly with the builder.

TREY
research

HOW DO I BECOME AN APPROVED BUILDER?

Required Documents :

- A brief story of the company (Questionnaire link)

- Current financials and previous 2 years of tax returns, if available

- Corporate documents

- Insurance Certificate (showing a summary of coverage)

- Business Recovery Plan/ Disaster Recovery Plan, if available

- Privacy and HR/Hiring Policy (Background check), If available

- Do you outsource any services to a third party? Electrician, plumber, etc.

TREY
research

Reminder:

Don't deliver the Tiny Home until we close & fund the loan.

Common questions

- Can I have some add-ons/ upgrades in my Tiny Home?

- Can I get a gift from a family member to pay the down payment?

- Are Grants available for Tiny homes?

- Do you finance Tiny Homes on a foundation? Known as an ADU.

- What happens, if the client does not qualify anymore after the pre-qualification?

https://libertybankofutah.com/tiny-homes/

TREY
research

Thank You

Kendall Phillips 👤

kendall@libertybankofutah.com ✉

Henry Palma 👤

henry@libertybankofutah.com ✉

801-903-2052 📱

www.libertybankofutah.com 🔗

801-355-LEND 📱

@libertybankinc