

Coverage from the Ground Up – A Guide to Construction-to-Permanent Loans and Enact MI



We insure Construction-to-Permanent (C to P) loans that are either Single Close or Two Close transactions, providing flexible MI activation options. Find more detailed information in our [Underwriting Guidelines](#).

Please note the below pertains to Enact guidelines only. When structuring the loan, consult your investor’s guidelines first.

Transaction Type	Enact Product Description	Loan Characteristics/Parameters	Purchase or Refinance?	Loan Application (1003) Property and Loan Information	MI Commitment Term	MI Activation Options
Single Close Construction Loan	<ul style="list-style-type: none"> Borrower is underwritten and qualified one time according to the terms of the permanent financing. Upon completion of the construction, the loan converts to a permanent long-term mortgage. 	Borrower owns the land, deeds it to the Builder and then signs a contract with the Builder to construct a new home on it.	Purchase	Construction-Conversion/Construction-to-Permanent (Single-Closing)	15 months	During Construction or Upon Completion of Construction
		Borrower is purchasing the land or is being gifted the land and is signing a contract with a Builder to construct a new home on it.				
		Borrower owns the land and is having a Builder construct a new home on it.	Refinance			
Two Close Construction Loan	<ul style="list-style-type: none"> Consists of two separate loan closings. Borrower obtains a Construction Loan that is used to build the property. Borrower obtains a new long term loan to replace the Construction Loan once property is completed. Borrower is underwritten and qualified one time according to the terms of the permanent financing. 	Borrower is purchasing the land and is having a Builder construct a new home on it.	Purchase	Construction-Conversion/Construction-to-Permanent (Two-Closing)	15 months	During Construction or Upon Completion of Construction
		Borrower is purchasing the land or is being gifted the land and is signing a contract with a Builder to construct a new home on it.				
		Borrower owns the land and is having a Builder construct a new home on it.	Refinance			
New Construction	Home is newly constructed but not a Construction-to-Permanent transaction.	Borrower is purchasing a new home from a Builder who owns the lot.	Purchase	(1003) Loan Purpose Purchase	120 days	Upon Completion of Construction
		Borrower is paying off/refinancing an outstanding construction loan and Enact is only presented with the end loan/permanent financing once the property has been completed.	Refinance	(1003) Loan Purpose Refinance		

This summary document is subject to the complete terms and conditions of Enact’s Underwriting Guidelines at [EnactMI.com](https://enactmi.com). In case of differences with this document, the Underwriting Guidelines will govern.

01719.1222

Enact mortgage insurers include Enact Mortgage Insurance Corporation and Enact Mortgage Insurance Corporation of North Carolina.
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