

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

C to P loans can save your borrowers time and money when building a home – and Enact has these loans covered!

We insure C to P loans for Single Close and Two-Time Close construction loans, providing flexible MI activation options, insuring loan amounts up to \$1MM and aligning to the GSE guidelines. Find more detailed information in our [Underwriting Guidelines](#).

| Transaction Type | Description | Loan Characteristics/Parameters | Purchase or Refinance? | Loan Application (1003/URLA) Property and Loan Information | 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 automatically 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 | <ul style="list-style-type: none"> 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/URLA) 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/URLA) 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.

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