# Test Case DI-CL01: One-Borrower HomeStyle Renovation Purchase Loan

The purpose of this test case is to show lenders how to collect information on the redesigned URLA forms and create an XML submission file to DU for a single borrower purchase of a HomeStyle Renovation one-unit property.

# Narrative for Data Integrity Suite Test Case DI-CL01:

In this use case, a single URLA-Borrower form is used, along with the URLA-Lender form and a URLA Continuation Sheet.

## Key Loan Characteristics

* Conventional
* Fixed – 30 Year
* Purchase
* 1 Unit - Detached
* HomeStyle Renovation
* Primary Residence
* Suzi S Builder

## Other Data Elements Stressed in the Test Case

* Support of a new subordinate lien on the subject property

## Section 1: Borrower Information

Suzi S Builder, an immigrant with a “green card,” came to America as a young adult. She worked for a builder, learned the trade, and eventually bought the company when the founder retired. Over the years, she saved diligently and now is buying a small house on a large piece of property, which she is renovating into her dream home.

## Section 2: Financial Information – Assets and Liabilities

Suzi Builder’s asset and liability information are found in this section of Form 1003. The “Other” asset on the Form at a value of $600,000 is her company, Barnaby’s Home Improvement. This asset is reflected on the XML as ASSET\_4 with an Asset Type Other Description of “OtherNonLiquidAsset”.

## Section 3: Financial Information – Real Estate

Suzi will retain the 4-unit apartment building at 5209 Noosh Way which generates gross rental income of $2,750 per month. The lender calculates the net income to be $795.50 using the DU Selling Guide formula.

## Section 4: Loan and Property Information

Renovation work will begin soon on a detached house at 1234 Builders Lane, Louisville, KY 40207-1234. Suzi is paying $275,000 for the existing house and lot, and she is renovating it substantially with $100,000 of improvements. The property is not located in a project or Planned Unit Development, and none of the improvements are energy-related. The estimated appraisal value after completion of the work is $375,000.

## Section 5 Declarations, Section 6, Section 7 Demographics, and Section 8 Loan Originator

## Suzi S Builder answered all the declarations, signed the loan application and provided only her gender information on the Form 1003. The loan originator also provided their information.

## Lender Loan Information

John Done at ABC Mortgage of Kentucky offered Suzi a 30-year conventional, Fixed Rate loan in the amount of $300,000, at an interest rate of 4.500%. In addition Suzi will obtain concurrent, subordinate financing of $37,500 which will be used at the closing to reduce her down payment to $46,228.

The estimated closing costs are a total of $9,096 which includes prepaid items of $2,346. Other Credits consist of Borrower Paid Fees of $368.