



Morgan Stanley

MORGAN STANLEY HOME LOANS
CONSTRUCTION-TO-PERMANENT FINANCING

Enjoy building
your customized home

CONSTRUCTION MANAGEMENT PROCESS

We understand that building a new home can be a daunting process, and we have qualified professionals ready to help you.

Through this program, we will be available to assist you to:

- > Assess project scope and budget adequacy
- > Mitigate risk through a national inspector network
- > Manage construction disbursements
- > Monitor the construction progress and disbursements online
- > Answer questions

We can help you **step-by-step** throughout the entire construction process, whether you are building from the ground up or simply renovating your existing home.

COMBINED FINANCING

Morgan Stanley Home Loans' Construction-to-Permanent Financing incorporates the construction financing and permanent mortgage into one easy loan.

One application

One approval process

One loan closing

Once your house is complete, the construction loan rolls into a permanent loan with no additional closing costs.

Other benefits include:

- > Interest-only payments during the construction phase
- > Optional interest reserve¹—interest-only mortgage payments are made automatically on your behalf during the construction phase
- > Prime Rate during the construction phase
- > Competitive permanent mortgage loan rates
- > Choose among our innovative and traditional financing options designed for investors:
 - One- and Six-Month Adjustable Rate Mortgage (ARM)
 - Fixed-to-Adjustable-Rate Interest-Only Mortgage
 - Fixed-Rate Mortgage

Up to **100%** financing available.²

LOAN PROCESS OVERVIEW

Step 1:

You and your builder contract to build a new home or remodel an existing one. After you have settled on your site and design, please contact your Financial Advisor or the Morgan Stanley Construction Loan Department at 800-473-5584, Option 4.



Step 2:

After you and your builder have developed a cost estimate, we can help you choose the financing that best suits your needs. Competitive fixed-rate, adjustable-rate, hybrid option-ARMs and fixed-to-adjustable-rate mortgages are available.



Step 3:

Once you are credit approved for financing, your builder will complete a questionnaire and provide standard documentation. We will review the builder's qualifications and determine if they meet program standards, within 5–7 business days.



Step 4:

We will also conduct a project review based on the plans, budget and construction contract.



Step 5:

Once all credit approvals have taken place, your loan closing will be scheduled. When your loan closes, your closing costs are due. These are the only closing costs you will pay during the entire process.



LOAN PROCESS OVERVIEW (cont'd.)

Step 6:

After the loan closes, your builder may begin work. The builder will request disbursements during the construction phase as work is completed. Once a balance is created on the loan, your interest-only payments begin. For your convenience, you can also finance the interest-only payments with an interest reserve account during construction. If a contingency fund, for unexpected expenses, has been established, it may also be financed.



Step 7:

A final draw disbursement pays the builder's final invoice once the construction is complete. Your total loan amount is adjusted to reflect the actual amount paid out during construction.



Step 8:

You will be notified when the first interest-only or principal-and-interest payment for your permanent mortgage is due. It's a seamless transition, with only a Modification Agreement to be signed. There is no need to reapply, and no additional closing costs are charged.

To learn more about our mortgage products,
contact your Financial Advisor or the
Preferred Service Loan Center toll-free at
800-473-5584, Option 4.

- ¹ The estimated construction phase interest is financed into the permanent mortgage amount.
- ² The Pledged-Asset Mortgage feature is not available in Washington, DC and West Virginia. If the value of the pledged securities in your account drops below the agreed-upon level stated in your loan documents, you will be required to deposit additional securities or other collateral (such as cash) to stay in compliance with the terms of the mortgage. If you do not, your pledged securities may be sold to satisfy such obligation, and you will not be entitled to choose which assets will be sold. Thus, in deciding whether the Pledged-Assets Mortgage feature is right for you, you should consider the degree to which you are comfortable subjecting your investment in a home to the fluctuations of the securities market.

Construction-to-Permanent Financing is now available in all states. Our standard first mortgage loan closing costs and a construction administration fee will apply.

During the construction phase, the services of Granite Loan Management, LLC, will be utilized.

Morgan Stanley & Co. Incorporated is not affiliated with Granite Loan Management, LLC.

Funds drawn are not to be used to purchase, trade or carry marketable securities.

Investment services are offered through Morgan Stanley & Co. Incorporated, member SIPC. Morgan Stanley & Co. Incorporated is not the lender. We arrange, but do not make, loans. Morgan Stanley Home Loans are offered and made by Morgan Stanley Credit Corporation. Morgan Stanley & Co. Incorporated, 2000 Westchester Avenue, Purchase, NY 10577, is a registered Mortgage Broker, NYS Banking Department and a GA Residential Mortgage Licensee. AZ: Mortgage Broker License MB 16018. CA: loans arranged pursuant to a California Department of Corporations Finance Lenders License. MA: Mortgage Broker License MB1081. MD: 250 W. Pratt Street, Baltimore, MD 21201. NJ: 695 Route 46 West, Fairfield, NJ 07004, 973-276-5400, Licensed Mortgage Broker—NJ Department of Banking. RI: a Licensed Loan Broker.

AZ: Morgan Stanley Credit Corporation, Mortgage Banker License BK-16340.

CA: loans made pursuant to a California Department of Corporations Finance Lenders License. GA: Morgan Stanley Credit Corporation, 2500 Lake Cook Road, Riverwoods, IL 60015—Georgia Residential Mortgage Licensee. IL: Illinois Residential Mortgage Licensee. MA: Mortgage Lender License ML0565. MD, NJ and NY: Morgan Stanley Credit Corporation, 4 Headquarters Plaza North Tower, Morristown, NJ 07962.

Licensed Mortgage Banker—NYS Banking Department and NJ Department of Banking.

NH: Banking Dept License 5733MB. NV: Morgan Stanley Credit Corporation, 1645 Village Center Circle, Suite 150, Las Vegas, NV 89134, (800) 473-5584. RI: Licensed Lender. Residential loans are not available in Guam, Puerto Rico and the Virgin Islands. Loans are subject to credit approval. Minimum loan size for all first mortgage loans is \$50,000.