

## TRID Covered Construction Loan Examples

Loan Purpose	Collateral	TRID Purpose	HMDA Purpose
Purchase of land on which a dwelling is to be constructed	Land to be used for dwelling in the future	Purchase	Not reported
Initial 12-month construction only loan to purchase land and construct dwelling	RE and the dwelling to be constructed	Purchase	Not reported
Initial 12-month dwelling construction on land already owned to be converted to long-term note	RE and the dwelling to be constructed	Construction	Not reported
Replace initial construction-perm loan via new loan plus cash out for construction renovation	Substituted property constructed by and securing first loan with a different dwelling and real estate	Home Equity	Home Improvement
Multiple advance loan to renovate consumer's home	Home being renovated	Home Equity	Home Improvement
Construction-Perm loan to buy land and construct dwelling	Property purchased and dwelling to be constructed	Purchase	Purchase
Construct home on <i>leased land</i>	Home that is being constructed	Not covered <i>Check with examiners!!</i>	Purchase (?) <i>Check with examiners!!</i>
Permanent financing of the initial construction loan via a new loan	Same property constructed by and securing first loan	Refinance	Purchase (1)
Permanent financing of construction via modification at same bank	Secured by same property as initial loan that is now being modified	Not covered (modification)	Purchase (1)
Construction-only loan to construct home on owned land	Certificate of deposit	Not covered	Not reportable
Refinance previous mortgage loan used in renovating the house	Old loan and new loan secured by home being renovated	Refinance (not INITIAL construction)	Home Improvement

(1) HMDA (Comment 1003.2(h)-5) states that permanent refinancing of a construction loan is always categorized a "Purchase."

## TRID Covered Transaction Examples

Loan Purpose	Collateral	TRID Purpose	HMDA Purpose
Purchase of vacation home	The vacation home purchased	Purchase	Purchase
Purchase of vacation home	Borrowers' primary dwelling	Home Equity	Purchase
Refinance of primary dwelling purchase money transaction	Primary dwelling secures both loans	Refinance	Refinance
Refi of vacation home purchase and collateral substitution	New loan secured by primary dwelling	Home Equity	Refinance
Permanent financing of the initial construction loan via new loan	Same property constructed by first loan	Refinance	Purchase (1)
Permanent financing of construction via modification at same bank	Loan modification secured by same note and property as initial loan	Not covered (modification)	Purchase (1)
Initial 12-month dwelling construction to be converted to long-term note	Secured by dwelling constructed	Construction	<i>Not reported</i>
Extensive renovation of residence	Home to be renovated	Home Equity	Home improvement
Finance child's wedding & college	26 acres of farmland	Home Equity	Not reported
Finance expansion of business (40%) and purchase new personal car (60%)	27 acres of commercial zoned property owned by borrower	Home Equity (Primarily consumer)	Not reported
Purchase 30 acres by 4 individuals for personal hunting reserve (2)	30 acres of farmland purchased	Purchase	Not reported
Purchase rental vacation property & stay in property >14 days per year	Rental vacation property purchased	Purchase	Purchase
Purchase rental vacation property & stay in property < 14 days per year	Rental vacation property purchased (expect to retire there eventually) (2)	Purchase (TILA consumer (2))	Purchase
Refinance primary dwelling loan for business expansion	Both loans secured by primary dwelling of applicants	Not covered (Not consumer)	Refinance
Purchase personal car and finance vacation	28 acres agricultural land	Home equity	Not reported
Purchase 2 acres bare farmland	2 acres bare farmland purchased	Purchase	Not reported
Purchase 30 acres of farmland by an LLC for a hunting reserve to rent out	30 acres of farmland purchased	Not covered; LLC & Business purpose (2)	Not reported

(1) HMDA (Comment 1003.2(h)-5) states that permanent refinancing of a construction loan is always categorized a "Purchase."

(2) Primary purpose will be determined using existing TILA consumer purpose guidance and TRID purpose rules.