A GUIDE FOR LAND BUYERS

LAND

GOT LAND?
LET'S FUND IT.

Buy the land now. Build when you're ready.

Our two land loan paths, what to check before you buy a parcel, how ownership and title work, and how your land can become the down payment on the home you build later.



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START HERE

THE RIGHT PIECE OF LAND DOESN'T WAIT.

Maybe it's a building lot for your future home, hunting land in the hills, or acreage next to family. When the right parcel comes up, it usually doesn't last, and **most lenders won't finance vacant land at all**.

We do. We offer **two land loan paths**, one with a lower down payment and a shorter term, and one with longer terms for bigger parcels. You pick what fits your plan.

I've been helping families into homes since 1993, first as a Realtor and now as a mortgage lender. Read this, then call me before you make an offer. A few checks up front can save you from buying land you can't use.

Brian

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WHAT A LAND LOAN IS

Financing for property without a house on it.

A land loan finances the purchase of **vacant land**. Because there's no home on it yet, lenders see more risk, so land loans usually need a **larger down payment** than a home loan.

BUILDING LOTS

A lot in a subdivision or a parcel ready for your future home.

RAW & VACANT LAND

Undeveloped acreage, with or without road access and utilities.

RECREATIONAL ACREAGE

Land for hunting, camping or getting away on weekends.

FUTURE DREAM HOME

Buy now, and build in a few years when you're ready.

GOOD TO KNOW: Land loans are separate from construction loans. If you want to buy land and build right away, ask for my new construction guide.

WHO LAND LOANS FIT

Built for buyers with a plan and a down payment.

USUALLY A GOOD FIT

- You've found land you don't want to lose
- You plan to build in the next few years
- You want recreational or getaway land
- You have 20–25% to put down
- Family is helping with a gift
- You want to hold title in an LLC

KNOW GOING IN

- Down payments are **20–25%**
- Rates are usually **higher** than home loans
- Terms can be **shorter**
- The land must be **legally usable** for your plan
- Due diligence takes time
- Values can be harder to appraise

REAL TALK: If you already own land free and clear, its value may count as your down payment when you build. That can be a big advantage.

TWO WAYS TO BUY YOUR LAND

Pick the down payment and term that fit your plan.

	THE HOMESTEAD	THE FRONTIER
BEST FOR	The smallest cash outlay and a faster payoff	The lowest monthly payment, or a bigger parcel
DOWN PAYMENT	20% of the land price	25% of the land price
LOAN TERM	10-year fixed rate	Up to 30 years
LOAN AMOUNT	Up to $500,000 on residential land	Up to $1,200,000, with more land types
TITLE	Your name, an LLC or tenancy-in-common	Gift funds and seller concessions allowed

NOT SURE WHICH ONE?

If you want the land paid off before you build, the Homestead's shorter term helps. If you want to keep monthly costs low while you save for construction, the Frontier may fit better.

GOOD TO KNOW: Program terms are current as of October 2026 and can change. I'll confirm them on your parcel.

CHECK BEFORE YOU BUY

The land has to work for what you want to do.

1 ZONING
Confirm you can build what you want, from a house to a camp.

2 PERC TEST
Rural land needs soil that can support a septic system.

3 WATER
Plan for a well, and ask neighbors about depth and quality.

4 ROAD ACCESS
Legal access and road frontage matter for building and value.

5 UTILITIES
How far are power, phone and internet?

6 WETLANDS & FLOOD
Protected areas can limit where you can build.

7 SURVEY & BOUNDARIES
Know exactly what you're buying.

8 DEED RESTRICTIONS
Some parcels limit buildings, uses or subdividing.

IN THE ADIRONDACK PARK?

Land inside the Adirondack Park is subject to Adirondack Park Agency rules on building and land use. Check what's allowed before you buy.

WHAT IT COSTS: AN EXAMPLE

The same parcel, both ways.

Here's how a $100,000 parcel might look on each path. Your price, rate and terms will be different.

	THE HOMESTEAD	THE FRONTIER
LAND PRICE	$100,000	$100,000
DOWN PAYMENT	$20,000 (20%)	$25,000 (25%)
LOAN AMOUNT	$80,000	$75,000
TERM	10 years	Up to 30 years
MONTHLY PAYMENT	Higher, paid off fast	Lower, paid off slower

EXAMPLE ONLY. NOT A RATE QUOTE OR LOAN ESTIMATE.

CLOSING COSTS

Plan for title, survey and recording costs, too.

TAXES

Vacant land still has property and school taxes.

GIFTS

Family can help with the down payment.

TITLE & OWNERSHIP

How you hold the land matters.

YOUR OWN NAME

The simplest option for most buyers.

AN LLC

Common for investment or shared recreational land.

TENANCY IN COMMON

For buying with family or friends, each owning a share.

BUYING WITH OTHERS?

Shared hunting land and family parcels are common. Put a written agreement in place covering costs, use and what happens if someone wants out. Your attorney can help.

GIFT FUNDS

Family can help with the down payment, with a gift letter.

SELLER CONCESSIONS

On some programs, the seller can help with closing costs.

REAL TALK: Talk to your attorney and CPA about the best way to hold title. It affects taxes, liability and what happens later.

FROM LAND TO HOME

Your land can become your down payment.

When you're ready to build, the **equity in your land** can often count toward the down payment on a construction loan. If you've paid it down or it's gone up in value, that equity works for you.

1. **BUY THE LAND**
   With a land loan, or with cash.

2. **PLAN THE BUILD**
   Pick a builder, get plans and permits.

3. **CONSTRUCTION LOAN**
   A construction-to-permanent loan can pay off your land loan and fund the build.

4. **MOVE IN**
   The construction loan converts to your regular mortgage.

GOOD TO KNOW: With an FHA one-time close construction loan, land equity can count toward the 3.5% down payment. Ask for my new construction guide.

COMMON MISTAKES THAT COST BUYERS

Most of these are easy to avoid with a little homework.

1 SKIPPING THE PERC TEST
No septic approval can mean no house.

2 ASSUMING ACCESS
Landlocked parcels are hard to build on and to finance.

3 IGNORING ZONING
Check what you can build before you buy.

4 NO SURVEY
Boundary surprises are expensive.

5 FORGETTING TAXES
Vacant land still has a tax bill.

6 WETLANDS SURPRISES
Protected areas can shrink your building site.

7 UNDERESTIMATING UTILITIES
Bringing power in can cost more than expected.

8 WAITING TOO LONG
Good parcels go fast. Get pre-approved first.

REAL TALK: Almost every one of these is avoidable with a little homework before you buy. Call me and your attorney before you sign.

CREDIT & QUALIFYING

A strong file gets the best terms.

Land loans set limits based on your **credit**, **down payment** and **income**. Because land is a riskier loan for lenders, they look closely at all three.

STRONG CREDIT, SOLID DOWN PAYMENT	The most program choices and the best pricing. Usually the smoothest path.
MIDDLE OF THE RANGE	Still plenty of options. Rate, down payment and reserves vary more from program to program.
SCORES ON THE EDGE	Fewer programs fit, and the down payment carries more weight. This is where shopping the file matters most.

WHEN YOUR FILE IS CLOSE, I DON'T GUESS

If your credit or down payment is on the edge, I send your file to our **scenario desk**. They look across programs to find one that fits your parcel and your plans.

GOOD TO KNOW: Minimum scores and terms vary by program and change often. Ask me for current guidelines on your scenario.

DOCUMENT CHECKLIST

Have these ready, and the process moves a lot faster.

- [ ] Purchase contract for the land
- [ ] Survey, if available
- [ ] Pay stubs covering the last 30 days
- [ ] Bank statements, last 2 months, all pages
- [ ] LLC documents, if buying in an entity
- [ ] Property listing or tax map information
- [ ] Perc test results, if available
- [ ] W-2s and tax returns, last 2 years
- [ ] Gift letter, if family is helping
- [ ] Government-issued photo ID

Every situation is a little different. I'll give you the exact list for your scenario before you gather anything.



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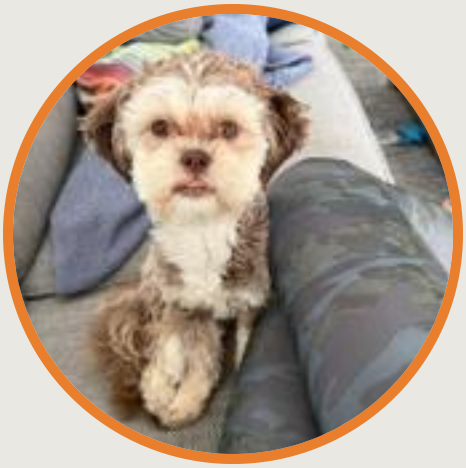
BOOK 15 MINUTES

EQUAL HOUSING OPPORTUNITY

This guide is for educational purposes only and is not a loan commitment or guarantee of approval. All loans are subject to credit, income, asset, property and appraisal approval; not all applicants will qualify. Land loans described are subject to program availability and require minimum down payments of 20% or 25% of the land price depending on program; loan terms, maximum loan amounts, eligible land types and title vesting options vary by program. Land loans may carry higher interest rates and shorter terms than home mortgages. Zoning, perc testing, access, wetlands, Adirondack Park Agency and other land-use rules are governed by state and local authorities; consult your attorney and local officials. Examples are illustrations only and are not a rate quote or Loan Estimate. Program availability and guidelines are subject to change without notice. © 2026 New American Funding, LLC. NMLS #6606 (nmlsconsumeraccess.org). 1 MacArthur Place, Suite 800, Santa Ana, CA 92707 · newamericanfunding.com · (800) 450-2010. Licensed Mortgage Banker, NYS Department of Financial Services. Equal Housing Lender. October 2026.

PENNY'S CORNER

A few words from our Chief Belly-Rub Officer.



PENNY SAYS

CHIEF BELLY-RUB OFFICER

Dad says check the perc test, the road access and the zoning before you buy land. I say check for squirrels. We're both right.

When you're ready to build, that land can help with your down payment. Dad will show you how. I'll pick where the dog door goes.

CONNECT WITH PENNY ON FACEBOOK

Tips, updates and plenty of Penny.

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