



Construction Loan Types in California – Comparison Guide

Pacific Prestige Properties helps homeowners, builders, and investors navigate construction financing.

Here's a comparison of the most common loan types available in California.

Loan Type Comparison

Loan Type	Best For	Key Features	Typical Rates (2025)
Construction-to-Perm (Single Close)	Borrowers seeking simplicity	One closing, converts to mortgage after completion	6–8%
Construction Only (Two Close)	Builders needing flexibility	Separate loans for construction and permanent financing	6–9%
Renovation & ADU Loans	Homeowners adding units or remodeling	Covers renovations and ADUs, builds property value	6–10%
Owner-Builder Construction Loans	Experienced borrowers acting as GC	Greater control, equity growth; requires strong documentation	6–10%

FHA / VA Construction-to-Per m	Borrowers with lower credit or veterans	Government-backed, flexible credit, single close option	5–7%
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Useful Link

For official guidelines, see [Fannie Mae Construction Loan Guidelines](#).

Compliance & Author

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