

Accessory Dwelling Unit Loans Frequently Asked Questions

We strive to make all our products and materials, including our rates and terms, clear and simple. We want you to be able to understand our financing, the application process, and how the loans work. Despite our best efforts, you may have questions. Below we answer the questions that we are most commonly asked.

If your question is not answered below or you find anything confusing, please reach out directly to the lender you are working with or email ADU@Craft3.org or phone 888-231-2170 ext 255. We look forward to answering any questions you may have.

QUESTIONS

Where are Craft3 ADU Loans available?

Craft3 ADU Loans are available to Oregon residents in Multnomah, Washington, or Clackamas Counties.

How do I make payments?

When the loan disburses, you authorize a regular Electronic Funds Transfer (EFT). This authorizes monthly payments from the account of your choice.

Are interest-only payments an option?

Yes. During the first six months of your loan, interest-only payments are an option. If you choose this option, your first full principal and interest payment will be due six months after loan disbursement.

How is the loan secured?

Our loans are secured by a Deed of Trust (DOT) and may not be required to be in first position. This means that, in certain cases, Craft3 will still be able to make the loan even if there is already a first mortgage and a second mortgage or home equity line of credit (HELOC) on the primary residence.

Can I use the loan to pay for permit and design fees?

Yes. You can disburse funds for all permit and design fees.

Are there early payment penalties?

No. We never charge prepayment penalties. Any prepayment or payment in excess of the required monthly payment is applied to the principal. **Note:** If you make prepayments or additional payments, they will not decrease your required monthly payment. They will, however, mean that you pay off your loan sooner and thus pay less interest over the life of the loan.



Can I make payments online?

Yes. You can use our secure [online portal](#) to make a one-time payment or to set up automated monthly payments.

Are interest rates fixed?

Yes. All our consumer loans have fixed interest rates. This means that your interest rate doesn't change even if inflation or other interest rates go up.

What is APR?

APR stands for annual percentage rate. This is the annual estimated cost of credit for your loan, including both interest and loan costs, calculated as a percentage. This lets you compare various loans so you can see which are likely to be more expensive. The APR does make a few assumptions: all disbursements will happen as expected, and all payments will be made on time. If those assumptions end up not being accurate, the APR may also not be accurate. Importantly, the APR is not your interest rate. Your loan documents (usually the Promissory Note) list the interest rate and govern the actual loan payments.

When considering loan applications, how do you assess credit scores?

For Craft3 your credit score is much less important than your current credit performance and your ability to repay and afford the loan.

How do you safeguard customer data security?

Data security is a top priority. We offer an application portal where you can securely upload personal information including IDs and project documents. We also verbally verify transactions on a routine basis to ensure they are authorized by our borrowers before we send funds to contractors.

