



Construction Lending

Step 1. Application

- Appraisal of new home based on contract, plans, and specifications
- Loan approval

Step 2. Loan Closing at Title Company

- Sign mortgage documents
- Borrower pays down payment and closing costs at this time
- Lot transfers to borrower's name if not previously owned by borrower
- Amount for cost to construct home (excluding lot cost) deposited to construction loan account

Step 3. During Construction Inspections Made and Construction Loan Funds Disbursed to Builder upon Approval of Borrower

- 1st draw - 18% foundation
- 2nd draw - 25% under roof
- 3rd draw - 27% drywall
- 4th draw - 17% trim
- 5th draw - 13% final completion

Draw amounts are approximate, actual amounts based on actual percentage of completion of construction. Monthly interest payments made during construction by borrower based on amount of loan disbursed to builder.

Step 4. Home Completed by Builder

- Appraiser does final inspection
- Borrower authorizes final draw
- Regular monthly mortgage payments begin