

CONSTRUCTION LOAN PROGRAM

The Construction Loan Program is comprised of 2 loans.

The initial loan will be at interest only for the building period. Typical closing costs apply with a 1% construction fee (minimum fee \$1,000.00)* and a \$500.00 title company draw fee*. You may select from 6 to 8 months. If not completed, we can extend the construction loan for a fee of \$250.00. We will hold back \$5,000.00 until the Certificate of Occupancy is received.

Upon completion of construction, this loan can be converted to our 62 month or 84 month Balloon Mortgage. If converting to a CSB loan product, closing costs for the final loan will consist of the title commitment fee and the mortgage recording fee. ***Please note that to do the End Loan on the Secondary Market, the property must be 100% complete with grass growing. Loans on the Secondary Market include 15, 20 & 30 year fixed rates and require all typical closing costs.***

1. Six to Eight Month Draw Period - Interest only - billed monthly.
2. Closing costs will be the same as for our regular mortgage, except for the addition of the Construction Fee of 1% and estimated title company draw fee of \$500.00*.
3. Waivers, Sworn Statement and Owner/Designee Affidavit will be provided to the title company with each Draw Request. When we have done our inspection and received the OK from the title company, we will advance the draw.
4. Draw Stages:
Draws are negotiable between the Customer, Builder & Loan Officer. Draws can be monthly or at certain stages of completion. Borrower's 20% down payment is used before draws on the construction loan are made.
5. Possible First Draw of 20% can be taken at the completion of:
Footings
Foundation
Backfill
(See Construction Draw Agreement for complete schedule of disbursements.)

*Both fees are part of the APR
Consthand.out 1-5-2015

