

Construction Loan Disbursements

Construction loans are typically advanced as work progresses and the amount of each advance is based upon the work completed. The amount of each advance is determined at the sole discretion of the lender and the estimated schedule below is only as estimate.

At the time of each advance the lender will require an inspection and supporting documentation prior to releasing the funds.

The following represents the procedures for construction loan disbursements:

1. The borrower or contractor will request an inspection by submitting the AIA G702 and G703 form. The request will be made by email and sent to Robert Coulombe, Residential Lending Manager. rcoulombe@hdf-ct.org
2. The request for the inspection will indicate which inspection they are requesting and provide the contact information for the inspector to schedule an appointment. Contact information must provide name and phone number of the individual the inspector needs to contact for the appointment.
3. HDF will order the inspection.
4. Borrowers should expect the inspection to be completed within 10 business days of request (estimated).
5. Upon receipt of the inspection report, HDF will review the inspection in order to determine how much will be advanced based upon work completed. **(Note: HDF will hold a 10% retainage of each advance. Therefore, HDF will advance only 90% of the approved advance.)**
6. HDF will notify the Borrower of the approved amount of the disbursement and what documents are required prior to releasing the funds. Documentation may include lien waivers, survey, elevation certificates, receipts, city inspections, CO and other documentation as required by the lender.
7. Upon receipt of the required documentation HDF will issue a check for the amount of the disbursement payable to both the Borrower and Contractor.
8. The construction period is 12 months and will not be extended. If the project is not completed within the 12 month period the loan will still be put into repayment.

Estimated Disbursement for Shore Up Loans:

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| 1. Closing: | Soft Costs estimated at 10%, not to exceed actual costs. |
| 2. Elevation of House: | Estimated at 20 to 30%. |
| 3. Foundation, piers and house on foundation: | Estimated at 40 to 50%. |
| 4. Completion and CO: | Estimated at 20% plus any retainage. |

Required Documentation for each Disbursement:

1. Elevation: Inspection and lien waivers signed by all contractors.
2. Foundation or piers constructed and house lowered on foundation:
 - a. Elevation Certificate (Under Construction) completed to insure that foundation and/or pier is at correct height. (*prior to lowering house*).
 - b. Elevation Certificate to be sent to HDF for review and approval *prior to lowering the house*.
 - c. Upon approval of the Elevation Certificate (by HDF) the house may be lowered.
 - d. Inspection (after house is lowered), lien waivers and receipts.
3. Completion: Final Inspection, A-2 "as-built" survey, lien waivers, receipts, final elevation certificate, CO.

Borrower

Date

Co-Borrower

Date