

CONSTRUCTION LOANS



NMLS# 408532

MODERN BANKING THE HOMETOWN WAY



www.wilmingtonsavings.com

Member
FDIC



About Wilmington Savings Bank

The city of Wilmington was founded in 1870 and just twenty years later, the first bank opened its doors in town. Wilmington Savings Bank has been a foundational part of the growth of the Wilmington community over the past 130 years. Our secret to success: the people and community we serve.

When you become a part of Wilmington Savings Bank, you're not just a number. You're family here. Our qualified team will take the time to know your needs so we can offer you the best advice and services for you! We offer a wide array of services to meet any banking need including several deposit account options, mortgage lending, construction lending, business accounts, and more! Feel free to reach out to any of our qualified team members for more information.

Wilmington Savings Bank is not just in this town, we are a part of it. We were from the first day we opened our doors to serve the original residents of Wilmington, Hillsboro, and surrounding areas. We've seen the banking industry evolve and grow over the last 130 years and we will continue to support you, your family, and your legacy for years to come.

Contact Us!

Wilmington Location

184 N. South Street
Wilmington, OH 45177
(937)382-1659

Hillsboro Location

137 N. High Street
Hillsboro, OH 45133
(937)366-1409

Check out our website at www.wilmingtonsavings.com

Construction Loans at WSB

Your construction loan at Wilmington Savings Bank is a Construction/Permanent Loan. This means that one closing will cover the processes of building your home and paying for your home after your home is complete and you have moved in.

The construction phase will be set up for 12 months. During this 12 month period, you will pay the interest on a monthly basis as draws are disbursed.

You will be responsible to approve the release of every draw by signing an Affidavit or Release of Funds. By signing the release, you are stating that you agree to pay your builder and that you are satisfied with the work to that point. The bank will require an inspection and update the title before every draw.

Most builds are done with 5 draws, but sometimes the builder requires more draws. It is important to know how many will be required, because you, the Borrower will pay a certain amount for each draw.

The Loan

Wilmington Savings Bank offers a 7/1 Adjustable Rate Mortgage loan for the Construction Loan. This means that at the time of application, your rate will be locked from that point through the first seven years of your loan.

Wilmington Savings Bank offers a desirable rate and your loan officer will discuss all rates and fees with you when you are ready to apply for your Construction/Permanent Loan.

We are here to answer any and all questions that you may have about everything delivered in this document.

Step by Step

1. Gather the information on the Borrower's Documentation Checklist.
2. Meet with the Loan Originator to complete the application. This can be done in person or over the phone.
3. Supply the bank with all necessary documentation.
4. Review and sign the disclosure package. This will be produced and delivered by the bank.
5. Pay the appraisal fee. The bank will order the appraisal and the title search.
6. Once the appraisal is complete, the appraisal will be reviewed to make sure the value matches expectations or if there needs to be an adjustment in the borrowed amount.
7. The loan will go through underwriting which will determine its approval.
8. When the loan is approved, it will be sent to closing.
9. The closer will contact you the customer to set a place and a time for the closing.
10. The closing will be held and the mortgage will be filed. The builder may be present at closing to sign required documentation.
11. Construction can begin.

The Builder

DOCUMENTATION CHECKLIST

When borrowing money to build your home, the lender will need various documentation from your General Contractor.

1. A Contract between the home owner and the General Contractor. The contract should include everything that it will take to build the home and make it liveable.
2. Blue prints or plans including elevations.
3. A specification list; this list gives detail of the type and quality of components that will be used in the construction of the home.
4. A cost sheet; this breaks out the costs of certain components detailed in the contract.
5. An expected draw schedule; this should follow very closely to the appraiser's percentage of completion through out the process. In the end, the contractor will receive 100% of the contracted amount.
6. A copy of all subcontractors and suppliers that will be part of the build.
7. A copy of most current Worker's Compensation Certificate.

The Builder

CHECKLIST CONTINUED

8. A Builder's Risk Insurance Policy will be required with Wilmington Savings listed as either a loss payee or additional insured.
9. The building permit will be given to the bank prior to closing the construction loan, whenever possible.
10. Any change orders from the customer once construction has begun that modifies the original plans or figures must be approved by the bank prior to the change.
11. Proof of occupancy permit prior to final draw.

We may require the builder to provide certain information to the Bank indicating that they can not only handle the construction of the home but also the financing of the home that is required between each draw.



The Borrower

DOCUMENTATION CHECKLIST

When borrowing money to build your home, the lender will need various documentation to appraise and approve your loan before your home is built.

1. Your W-2's from the past two years.
 - a. If self-employed, your Personal and Business Tax Returns from the past two years and a current year profit and loss statement.
2. Your most current month of pay stubs.
3. If there is retirement income or other types of income to support the debt, verification will be needed such as a Social Security Award letter and 1099-R's.
4. Past two months of Bank Statements (all pages).
5. Your most current investment statement (all pages) ie, 401-k.
6. Copy of your Driver's License.
7. Copy of the Deed for the lot being built on.
8. Copy of the contract to buy the lot, if it is being purchased at the same time.
9. A homeowner's policy will be required. We need to know who the home will be insured with.
10. Your email address.
11. If the property is in a Trust, we will need a copy of the Trust Agreement including the Declaration of Trust.
12. If you have been divorced in the past 10 years, a copy of your divorce decree.
13. The appraisal fee will be collected after disclosure.

Once the documentation has been submitted to the bank, the plans for the home should not change. A change could affect the value of the home and cause additional issues.

Loan Agreement

KEY POINTS

1. No construction may begin prior to recording of the security document. Borrower will not permit any work or materials to be furnished in connection with the project until
 - a. Borrower has signed the Related Documents
 - b. Lender's mortgage or deed of trust and other Security Interests in the Property have been duly recorded and perfected
 - c. Lender has been provided evidence, satisfactory to the Lender, that Borrower has obtained all insurance required.
2. Borrower shall apply only for disbursement with respect to work actually done by the General Contractor and for materials and equipment actually incorporated into the Project.
3. Final Payment to General Contractor will occur once Lender receives all of the following:
 - a. Evidence satisfactory to Lender that all work under the Construction Contract requiring inspection by any governmental authority with jurisdiction has been completed.
 - b. A final inspection will be completed by the appraiser and the contractor will deliver the Occupancy Permit to the Bank prior to the Final Draw.
 - c. Acceptance of the completed Improvements by Lender and Borrower.



Loan Agreement

KEY POINTS CONTINUED

4. If any of the Collateral or Improvements is damaged or destroyed by casualty of any nature, borrower shall restore the Collateral and Improvements to the condition in which they were before such damage or destruction with funds other than those in the loan funds. Your insurance must cover such an event.
5. Loan Proceeds are to be used solely for payment of bills and expenses directly related to the Project.
6. Lender and its agents shall have at all times the right of entry and free access to the Property and the right to inspect all work done, labor performed, and materials furnished with respect to the Project.
7. If Lender in good faith determines that any work or materials do not conform to the approved Plans and Specifications or sound building practices, Lender may require work to be stopped and withhold disbursements until the matter is corrected.
8. Wilmington Savings Bank may display a sign at the construction site informing the public that we are the construction lender of the project.



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