

**We're not looking for a mortgage.
We're looking to build a place to
call home.**



**NORTH
SHORE
BANK**

The Bank of You



Member FDIC

All-in-One Construction Loan

With only one application, one closing and one loan, you save money.

The All-in-One Construction Loan provides funds throughout the building process and becomes your permanent mortgage once construction is complete.

- Available repayment terms of up to 40 years.
- Save money by paying closing costs only once, not twice.
- Save additional money because there is no need to take out separate loans.
- Rate protection available before application.
- Draw requests and inspections that meet both the builders and your needs.
- Make interest-only payments on funds that have been authorized and disbursed during your construction period.
- Ask about our fixed rate conversion loan option that begins at time of your occupancy.
- No PMI (Private Mortgage Insurance) payments required during the construction draw period for qualifying borrowers required to have PMI coverage for their final permanent loan.
- Interest-only and low down payment loan programs are available. Ask for details.

Let us help provide you the keys to unlock your home dreams.



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Your New Construction Step-by-Step

Here are the basic steps to financing the construction of a new home.

1. Ask me to help you determine how much home you can afford.
2. Consult with your builder to determine the lot size and location of your home.
3. Find your lot and write your offer to purchase the property, unless you already own the land.
4. Finalize your plans and select your builder to write the contract and build your home.
5. Apply for and close your construction loan with North Shore Bank.
6. At closing, we will pay off anything owed on your lot, if not already owned.
7. We'll set up a construction escrow account that holds the funds needed based on the contract with your builder.
8. As your home is built, the builder can request up to four draws for payment. Each draw covers only the work completed and materials installed to date based on that draw request.

A Draw Request

Below is how the draw request process works.

1. The builder obtains your written authorization to draw the funds specified for the work completed.
2. The bank employs a title insurance company to inspect the construction site to verify that work being requested for payment has been completed.
3. With each draw request, the title insurance company collects lien waivers from all sub-contractors, the general contractor and material suppliers being paid from that draw to ensure they cannot place liens against your property at a later date.
4. For the final draw, a copy of the occupancy permit and the contractor's affidavit and release for services performed must be provided. The appraiser for the bank also makes a final inspection and certifies that your home has been completed per the plans and specifications you signed at time of your application.
5. You now are ready to move into your new home!



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Paying for my current home while building a new home.

It is possible to stay in your present home until the construction is finished on your new home.

Option 1

Your current income and available cash on hand, along with any equity in your lot on which you wish to build, may already allow you to do this without any other financing options.

Option 2

North Shore Bank offers a twelve month Bridge Loan that allows you to borrow up to 90% of the value of your current home, less any existing mortgage balances. This amount can then be used as the down payment or equity for building the new home you will be financing.

Option 3

If you'll have 20% or more equity in both properties, you can apply for one mortgage loan that will cover both. This is called a Blanket Mortgage. With this type of mortgage, you'll have one loan and one monthly payment. When your present home sells, the proceeds you receive from that sale are applied to this loan. We then re-amortize (set new monthly payments) based on the remaining loan balance, to reflect your new lower monthly payment.

For details on these options, please contact your North Shore Bank Mortgage Professional today.



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How a Construction Loan Works

1. Your loan must be closed before your first draw occurs.
2. The construction period may cover up to 12 months.
3. Any cash you pay toward the down payment at closing is paid out first before any funds are drawn from your actual loan proceeds.
4. Interest on the cumulative amount of the draws to date from your loan proceeds plus any required escrow are the only monthly payment you pay during your construction period.
5. You begin making regular monthly payments (principal, interest and any required escrow) following the completion of your construction period and after final disbursement has been paid to your builder. This period extends to the full 12 month construction period unless other arrangements have been made.
6. A title company (escrow agent representing North Shore Bank) handles all your draw requests and perform periodic property inspections during the construction of your home. When authorizing your draw request, they guarantee that all lien satisfactions are collected and satisfied by your builder and any sub-contractors.
7. Before funds are disbursed, North Shore Bank must be notified of all “change orders” and “up charge requests.” A copy of each must be provided to account for all funds needed for draw requests made during the construction process.
8. When you make a draw request, your builder notifies the title company. The title company (escrow agent) completes their inspection to make sure all items being requested for payment are finished. The title company then calls you to approve the draw request.
9. Before your final draw is made, the appraiser must certify that your house has been completed per your original plans and specifications. Once North Shore Bank makes its final disbursement, you will have to settle any monetary differences with the builder due to adjustments you mutually agreed to in writing during the construction of your new home.



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New Construction Worksheet

Price or value (if currently own) of lot:		\$ _____
General Builders Contract:	+	\$ _____
Survey	+	\$ _____
Architect and plans:	+	\$ _____
Water laterals/well:	+	\$ _____
Water pump:	+	\$ _____
Sewer lateral/septic system:	+	\$ _____
Appliances:	+	\$ _____
Electric hook up:	+	\$ _____
Permits:	+	\$ _____
Excavating:	+	\$ _____
Grading and back fill:	+	\$ _____
Driveway:	+	\$ _____
Landscaping:	+	\$ _____
Overages on allowances:	+	\$ _____

Any item where cost has been included in the builders Contract price, please place an (*).

TOTAL:	=	\$ _____
Lot equity:	-	\$ (_____)
Other (Gifts/sweat equity):	-	\$ (_____)
Sub Total	=	\$ _____
Anticipated down payment (_____ %)	-	\$ (_____)
North Shore Bank mortgage amount needed	=	\$ _____



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