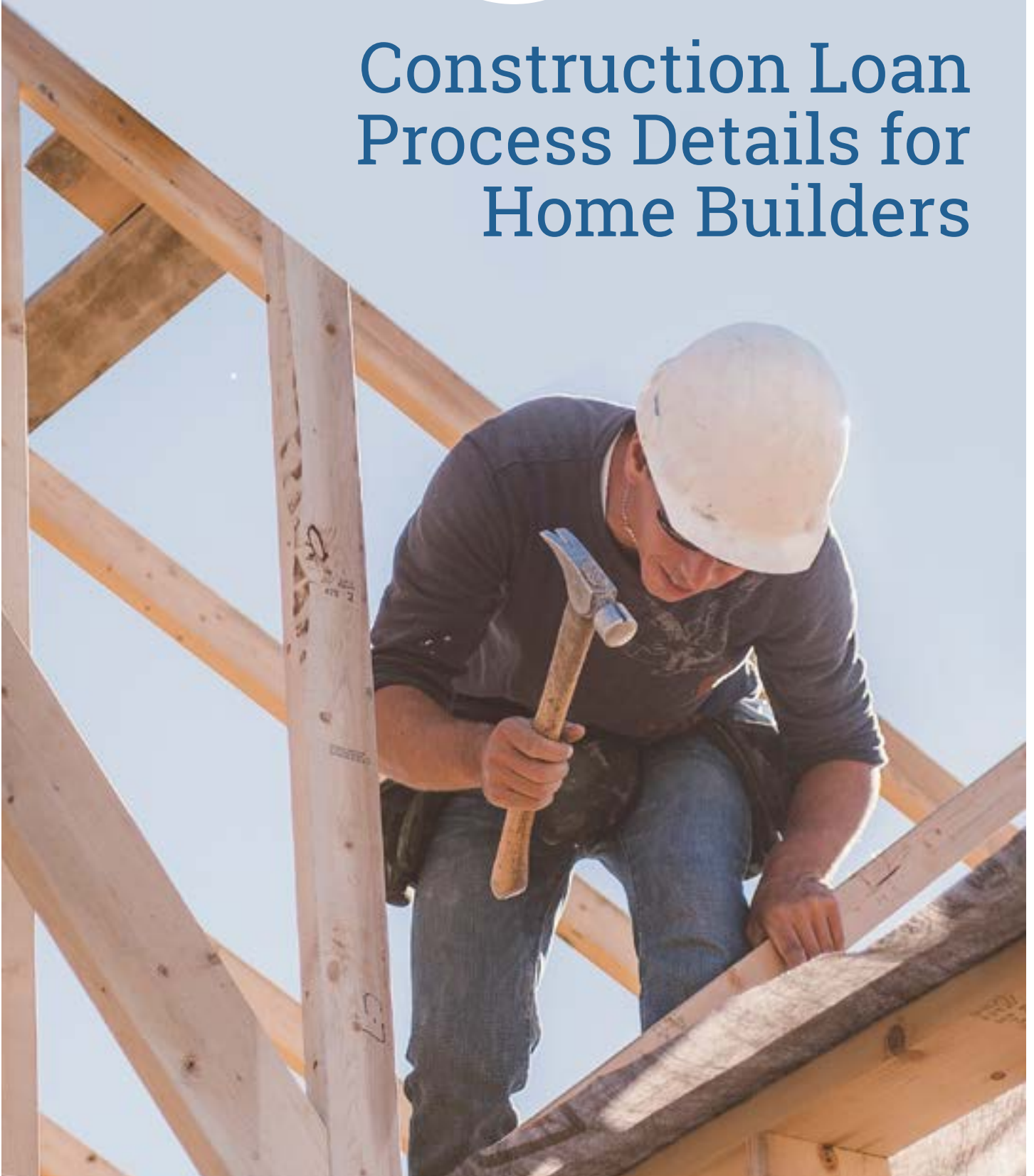




Construction Loan Process Details for Home Builders



Welcome to the Team

Your client has chosen the Savings Bank of Walpole for funding the construction of their new home. We are looking forward to partnering with you through the process. We take teamwork very seriously and strive to cultivate a culture of trust through effective collaboration, based on understanding and open communication so that we can produce high performing partnerships.

Our goal with this document is to help answer common questions, gather the information required and ensure that working with us is as easy and straightforward as reasonably possible. Of course, if you have any questions, please reach out to your clients' mortgage specialist at any time during the process.

As a long time local lender, we understand the value of being a partner of choice for our local builders and we hope that you enjoy the benefits of working with us, which include:

- **Local Leadership** Decisions are made by people who work, live and understand the community you are building in.
- **Quick Responses** Because we have our own construction staff at SBW, we are able to quickly respond to changes, questions and requests for payment. Our disbursement goal is within seven days from the day of request.
- **Flexibility** As a local mutual bank without stockholders, our decisions are made to benefit the businesses and people who live and work on our local Main Streets, not Wall Street. This allows us flexibility that you likely won't see at banks that are publically owned and traded.

Inspections & Payments

At SBW, our on-staff construction loan team will be monitoring the overall project and disbursement to protect the interests of the borrower, the builder and the Bank. This dedication to projects and on-staff expertise helps to ensure that details of your project make sense and are up to current industry standards. Managing inspections in-house allows us to visit your site promptly when you make a request and for funds to be disbursed to you faster than lenders who contract for these services.

Your client's construction loan includes the first eight inspections, followed by one inspection per month thereafter. Additional inspections will be assessed a \$150 fee.

SBW does not assume any responsibility for workmanship, material, costs, adherence to plans and specifications, code violations or payment of bills incurred by the builder or their subcontractors. Please be sure to clearly communicate with your client and the Bank, to ensure a smooth and positive process for all parties.

To mitigate risk for our customers and the Bank and to help keep projects within budget, SBW disburses funds to builders, contractors and subcontractors once work has been completed, and highly discourages the payment of deposits prior to construction.

To request an inspection, please:

- Ensure that the Identification of Construction Lending Notice has been posted on the property (only on projects in NH).
- Contact the Construction Loan Coordinator to request a property inspection at inspections@walpolebank.com.
- Complete the Construction Advance Schedule for the request being made.

If you bank with us, the funds can even be deposited directly into your account.

Please note that disbursements can be paid to order a kit—such as for a log, modular or manufactured home—and paid directly to the dealer.

Any change orders and/or variances that could adversely affect the final value of the new home must be communicated to the bank and the borrower in writing prior to the changes being made. Your client, the borrower, will be responsible for any change orders that are not in the budget and will need to supply us with the funds required so SBW can disburse payment.

Please note that the Bank reserves the right to withhold disbursements and take any necessary action to protect our interests if at any point a situation develops that we feel could jeopardize our position.

Appraisals

A third party Residential Appraiser will review the initial plans and complete a final inspection upon completion of the project. The final appraisal helps ensure that your project was built according to your original plans.



Required Documentation

At the end of this document, there are a number of forms that we will need you to complete and return to us as soon as possible. For your ease of use, these forms are all available in fillable electronic format. Simply reach out to your client's mortgage specialist so that they can email them to you, or visit our website and search for "Construction Loan Process Details for Home Builders".

ALL General Contractors must complete and return the following forms to your client's mortgage specialist as soon as possible:

- 1) *Residential Materials Specifications (Exhibit A)* or your standard specifications sheet. Please note that SBW reserves the right to request that this form be completed if the alternate specification sheet you submitted does not meet the needs of the Bank or the project appraisal experts.
- 2) *Contractor Construction Budget (Exhibit C)**
**Please note there is a different Exhibit C if you are building a Modular or Manufactured Home.*
 - For any cost line listed as \$0, please be sure to note the reason in the "Explanation" Line
 - The contingency rates are different for General Contractors (5%) and Self-General Contractors (10%). Only one is applicable for your project, not both
- 3) A copy of the Construction Contract signed by the Contractor and Borrower(s)
- 4) Building Plans
- 5) Subdivision plans, if applicable

In addition the following items will be needed in order to close the loan.

- 1) Proof of liability and Workmen's Compensation Insurance
- 2) A current *W9 Form*. You can either click the link on the electronic version of this document or go to irs.gov/pub/irs-pdf/fw9.pdf. If you have worked with us in the last two years and you have no changes in your company name, address or taxpayer identification number, you do not need to submit another W9 form to us.

3) *Pre-Closing Lien Waiver (Exhibit H)*

- This document is required only if you have received a payment for work performed 120 days or less before the closing of the loan with the SBW
- 4) A copy of the building permit from the applicable town or city
 - 5) Septic plans
 - 6) State septic system approval for construction
 - 7) Driveway permits, where applicable, from your town or city and/or state
 - 8) Any other applicable permits, such as those pertaining to wetlands, dredge and fill.

In addition, please let us know if there have been any changes to your list of suppliers or subcontractors since our last project with you.

If you are a **NEW General Contractor** (meaning it has been more than two years since the date of the last approval from the SBW or our sister banks Meredith Village Savings Bank or Merrimack County Savings Bank), please complete all of the forms listed above plus the following forms and return them to your client's mortgage specialist as soon as possible:

- 1) *New Builder / Self-General Contractor Sub-contractor & Supplier List (Exhibit B)*
- 2) *General Contractor / Self General Contractor Qualification Form (Exhibit D)*

If you are a **SELF-General Contractor** (meaning you are acting as your own General Contractor for the home building project), please complete and return the forms listed above in the General Contractor and new builder section, as well as:

- 3) *Self-General Contractor Subcontractor Insurance Notice (Exhibit J)*
- 4) *Quotes from each subcontractor for services that will be provided*



RESIDENTIAL MATERIALS SPECIFICATIONS

EXHIBIT A

When to complete this: This form, or your own specifications sheet, must be completed and submitted to the Bank. Please note that SBW reserves the right to request that this form be completed if the alternate specifications sheet you submitted does not meet the needs of the Bank or the project appraisal experts.

Property Address

City, State, Zip Code

Owner/Borrower Name

Contractor Name

Mailing Address

Mailing Address

Type of Home: Custom Modular Package Manufactured

Building Plans: Title: _____ # of Pages: _____ Dated: _____

Style of Home: _____ Sq. Feet of Living Space: _____ Foundation Size: _____

Sewage Disposal: Municipal Sewer

Water Source: Municipal

Community Sewer

Community

On-Site Septic System

On-Site Drilled Well

On-Site Dug Well

Allowance \$ _____

SITework:

Driveway: Length _____ Width _____ Surface Material: _____ Thickness: _____

Landscaping: _____

Walkway Material: _____

Other Improvements: _____

FOUNDATIONS:

Footings: Type _____ Strength _____ psi Thickness _____ Reinforcing _____

Walls: Type _____ Strength _____ psi Thickness _____ Reinforcing _____

Concrete Slab: Thickness _____ Strength _____ psi Thickness _____ Subbase material _____

Footing Drains _____ Waterproofing _____

Radon protection: Yes No Sump Pump: Yes No Crawl Space: Yes No



CHIMNEYS:

Material _____ Flue Lining _____ Prefabricated (make & size) _____

Material _____ Flue Lining _____ Prefabricated (make & size) _____

FIREPLACES:

Facing _____ Lining _____ Hearth _____ Mantel _____

Facing _____ Lining _____ Hearth _____ Mantel _____

EXTERIOR FRAMING:

Walls: Stud Type _____ Size _____ Spacing _____ Wind bracing _____

Sheathing _____ Grade _____ Thickness _____ Building paper _____

Siding _____ Grade _____ Size _____ Exposure _____

FLOOR FRAMING:

Floor Joists _____ Size _____ Spacing _____ Bridging _____

Subfloor Material _____ Grade _____ Thickness _____ Fastening _____

PARTITION FRAMING:

Stud Type _____ Size _____ Spacing _____ Sheathing: _____

Thickness _____ Bathroom walls _____ Other _____

ROOF:

Rafters _____ Grade _____ Size _____ Spacing _____

Sheathing _____ Grade _____ Thickness _____ Underlayment _____

Shingles _____ Drip edge _____ Ventilation _____ Gutters _____

INSULATION:

Exterior Walls: Type _____ R-value _____ Roof/Ceilings: Type _____ R-value _____

Interior Walls: Type _____ R-value _____ Floor: Type _____ R-value _____

EXTERIOR DOORS:

Type _____ Material _____ Brand _____ Hardware _____

Type _____ Material _____ Brand _____ Hardware _____

INTERIOR DOORS:

Type _____ Material _____ Brand _____ Hardware _____

Type _____ Material _____ Brand _____ Hardware _____

WINDOWS:

Type _____ Material _____ Brand _____ Hardware _____

Type _____ Material _____ Brand _____ Hardware _____

CABINETS & VANITIES:

Kitchen Cabinets _____ Brand _____ Countertops _____

Bathroom Vanities _____ Brand _____ Countertops _____

Cabinet Allowance: \$ _____

SURFACE FINISHES:

Interior Walls: Material _____ Brand _____ Coats _____

Interior Trim: Material _____ Brand _____ Coats _____

Ceilings: Material _____ Brand _____ Coats _____

Stained Surfaces: Material _____ Brand _____ Coats _____

Exterior Siding: Material _____ Brand _____ Coats _____

Exterior Trim: Material _____ Brand _____ Coats _____

FLOOR COVERINGS:

Living Room: Material _____ Brand _____

Dining Room: Material _____ Brand _____

Kitchen: Material _____ Brand _____

Bathrooms: Material _____ Brand _____

Bedrooms: Material _____ Brand _____

Family Room: Material _____ Brand _____

Flooring Allowances: All Flooring: \$ _____

Carpet: \$ _____ Vinyl: \$ _____ Hardwood: \$ _____ Tile: \$ _____

PLUMBING:

Water Piping _____ Sill Cocks: Number _____ Kitchen Sink _____ Bathroom Lavatories _____

Water Heater _____ Brand & Model _____ Storage Capacity _____ gallo

Toilets: _____ Quantity _____ Showers _____ Quantity _____

Bathtubs _____ Quantity _____ Whirlpools _____ Quantity _____

HVAC:

Heating: Type _____ Brand _____ Fuel _____ Fuel Storage _____

Air Conditioning: Type _____ Brand _____ Model _____ Size _____

Kitchen Vent _____ Brand _____ Bathroom Vents: _____ Brand _____



ELECTRIC WIRING:

AMP's _____ No Circuits _____ Wire: Type _____
Size _____ Special Outlets _____

LIGHTING FIXTURES:

Total number of fixtures _____ Total allowance for fixtures _____ Special fixtures _____

APPLIANCES:

Range _____ Refrigerator _____ Dishwasher _____ Microwave _____
Disposal _____ Washer _____ Dryer _____ Other _____
Appliance Allowance: \$ _____

GARAGES:

Attached _____ Unattached _____ Automobile Capacity _____
Garage Doors _____ Brand _____ Remote Electric Opener _____

PORCH/DECK:

Porch: Type _____ Size: _____
Deck: Type _____ Size: _____

OTHER FEATURES:

PREPARED BY

DATE

COMPANY

BORROWER

DATE

BORROWER

DATE



NEW BUILDER / SELF CONTRACTOR SUB-CONTRACTOR & SUPPLIER LIST

EXHIBIT B

When to complete this: Only new builders to SBW or Self GCs need to complete this form, though we ask all builders to alert us to any changes in subcontractors or their contact information if it has changed since your last project. Please see the "Required Documentation" section of the "Construction Loan Process Details for Home Builders" for definitions of new builders and Self GCs.

TRADE	SUBCONTRACTOR/SUPPLIER	TELEPHONE NUMBER
Excavation		
Foundation		
Septic System		
Well		
Frame		
Roof		
Insulation		
Plumbing		
Heating		
Masonry		
Siding		
Drywall		
Paint		
Millwork		
Finish Landscaping		
Lumber Supplier		
Flooring		
Windows and Doors		
Cabinets & Countertops		



GENERAL CONTRACTOR / SELF GENERAL CONTRACTOR QUALIFICATION FORM

EXHIBIT D

When to complete this: Only new builders to SBW or Self-GCs need to complete this. Please see the "Required Documentation" section of the "Construction Loan Process Details for Home Builders" for definitions of new builders and Self GCs.

Borrower(s) Names: _____

Subject Property: _____

Business Name: _____ Federal ID #: _____

Builder's Name: _____ Social Security #: _____

Business Address: _____

Telephone Number(s): _____ Years in Business: _____ Email: _____

Website: _____

Number of Employees: _____ Homes built last year: _____ Expected to build this year: _____

Last Year's Gross Income: \$ _____ How is your Business structured? _____ Incorporated _____ LLC _____ DBA

Provide 2 customer references below detailing projects you have completed similar to the proposed project

Name: _____ Phone: _____

Address: _____ Project Completion Date: _____

Name: _____ Phone: _____

Address: _____ Project Completion Date: _____

Provide 3 Builder Supplier/Sub-Contractor references

Name: _____ Phone: _____

Account Number: _____ Attn: _____ # of Years as a Client: _____

Name: _____ Phone: _____

Account Number: _____ Attn: _____ # of Years as a Client: _____

Name: _____ Phone: _____

Account Number: _____ Attn: _____ # of Years as a Client: _____

I authorize Bank personnel to obtain and review a written credit profile of my corporation and/or myself.
This information can be shared amongst Savings Bank of Walpole and our sister banks, Merrimack County Savings Bank and Meredith Village Savings Bank.

Builder/Self-GC Name Date



PRE-CLOSING LIEN WAIVER

EXHIBIT H

When to complete this: This document is required only if payments have been made for work performed 120 days or less prior to the closing of the loan with SBW. The paid deposit column on Exhibit C should also reflect this amount.

Loan Number _____

Amount Paid: \$ _____

Borrower(s) _____

Worksite _____

CONTRACTOR/SUBCONTRACTOR LIEN WAIVER FOR FUNDS PAID PRIOR TO CLOSING

The undersigned certifies that all work and materials for the amount indicated above has been completed or consumed. The undersigned has been paid in full for all completed work and supplied materials.

FOR VALUE RECEIVED, the undersigned hereby waives any and all liens for labor and materials arising under New Hampshire Revised Statutes Annotated Chapter 447 as to the construction mortgage to Merrimack County Savings Bank referred to date.

Signed this _____ day of _____, 20____.

By: _____
Contractor/Subcontractor



SELF-GENERAL CONTRACTOR SUBCONTRACTOR INSURANCE NOTICE

EXHIBIT J

When to complete this: Only Self GCs need to complete this. Please see the “Required Documentation” section of the “Construction Loan Process Details for Home Builders” for definitions of Self GCs.

Borrower(s): _____

Project Location: _____

As the Self-General Contractor of the above named project, I understand that it is my responsibility to verify that all Subcontractors are properly insured with General Liability and Workers’ Compensation Insurance, as applicable.

Borrower’s Name Date

Co-Borrower’s Name Date