

Pre-Closing Construction Road Map



CONSTRUCTION

Congratulations, you've submitted your application for a Construction Mortgage Loan. Here are some helpful tips on next steps and what to expect.

LOAN PROCESS

After you have received your commitment letter, you will be introduced to OnTarget Systems. OnTarget will be working with you and your General Contractor throughout the entire process from start to finish.

What is OnTarget's Role?

- Review plans
- Obtain necessary documentation throughout the process.
- Conduct bi-monthly courtesy calls with your General Contractor
- Facilitate the disbursement process

OnTarget will communicate any project concerns and undocumented changes that may impact the value of the property to Bangor Savings Bank.

General Contractor Responsibilities:

- Manages the project
- Oversees licensed professionals working on the project
- Ensures construction meets building code requirements
- Provides general liability insurance for the project

DISBURSEMENTS

OnTarget will be the liaison between you, your General Contractor, and the Bank. They will be the primary point of contact for disbursement requests.

It is important to note that funds are not disbursed upfront. Instead, funds are disbursed for the work that has been completed and are progress based. Prior to disbursement, OnTarget will complete a site inspection.

In some cases, you may be required to contribute funds towards the project, prior to the first disbursement. If so, you'll want to provide any necessary documentation to OnTarget to show the funds you have contributed.

If the home is Manufactured, Modular, or a Kit funds will not be disbursed until the home or materials have been delivered to the site.

CHANGE REQUESTS

There are times when things may change from the original plans and specs. Those changes may impact the appraised value of the home. It is important to contact OnTarget with any change requests.

Keep in mind that any change order costs may not be covered by the construction loan funds, unless

the items were noted as contingency items in the original budget.

When the construction of your new home is 100% complete, a final inspection will be ordered. The appraiser that completed the initial appraisal based on the plans and specs of the home, will schedule a time to view the completed property to determine that the project is at 100% completion and there are no changes to the value of the home, based on the initial appraisal.

FINAL INSPECTION

The final disbursement is processed once the final inspection report has been received and approved. OnTarget will work with you and your General Contractor to ensure all necessary documentation is received to process the final disbursement.

Bangor Savings Bank

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