Construction Loan Process Details for Home Builders



Welcome to the Team

Your client has chosen MVSB for the funding of the construction of their new home. We are looking forward to partnering with you through the process. As the area's truly local bank, we are honored to continue to build our relationship with your local business – and your customers – during this exciting and challenging process.

Our goal with this document is to help answer common questions, gather the information that we need 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, such as:

- Our lenders and our leadership are locally based, so decisions are made by people who work, live and understand the community you are building in.
- Because we have our own construction inspectors at MVSB, we are able to quickly respond to changes, questions and requests for payment. Our average disbursement timeline is three to five business days from the day it is requested.
- 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 & Appraisals

At MVSB, our on-staff construction loan team provides regular inspections to ensure that the project funds are being used appropriately – protecting the borrower, the builder and the Bank. 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.

For contracts led by a General Contractor, the first eight inspections are covered by the Construction Loan Fee. For contracts with a Self-General Contractor, the first eight inspections are included. Each additional inspection will be assessed a fee.

MVSB will be monitoring the overall project and disbursement to protect the interests of the borrower, the contractor 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. MVSB 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. So, please be sure to clearly communicate with your client, and the Bank, to ensure a smooth and positive process for all parties.

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. The final disbursement will be made upon completion of the appraisal, final inspection, and receipt of the certificate of occupancy, if one is issued by the town or city.



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 MVSB 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)
 - 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 https://www.irs.gov/pub/irs-pdf/fw9.pdf. If you have worked with us in the last three 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 payments have been made for work performed 120 days or less prior to closing the loan with MVSB
- 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 MVSB or our sister banks Merrimack County Savings Bank or Savings Bank of Walpole. 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. Please complete:

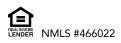
9. New Builder / Self-General Contractor Sub-contractor & Supplier List (Exhibit B)

10. 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:

- 11. Self-General Contractor Subcontractor Insurance Notice (Exhibit J)
- 12. 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 MVSB 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 Mod	dular 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 Syste	m 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: Waterproof	ing:
Radon protection: Yes No Sump	Pump: Yes No Crawl Space: Yes No



	Flue Lining:	Pi	refabricated (make & size)
Vaterial:	Flue Lining:	Pi	refabricated (make & size)
FIREPLACES: Facing:	_ Lining:	Hearth:	Mantel:
Facing:	_ Lining:	Hearth:	Mantel:
EXTERIOR FRAMINO		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 FRAMIN		Spacing	Sheathing:
Thickness	Bathroom walls	Oth	er
ROOF: Rafters	Grade	Size	Spacing
Rafters			Spacing Underlayment
Rafters Sheathing:	Grade	Thickness	
RaftersSheathing:Shingles:	Grade Drip edge	Thickness Ventilation .	Underlayment
RaftersSheathing:Shingles:Shingles:Shingles:Shingles:Shingles: Type	Grade Drip edge R-value	Thickness Ventilation _ Roof/Ceilings	Underlayment Gutters
RaftersSheathing:Shingles:Shingles: INSULATION: Exterior Walls: Type Interior Walls: Type EXTERIOR DOORS:	Grade Drip edge R-value R-value	Thickness Ventilation _ Roof/Ceilings Floor: Type	Underlayment Gutters : Type R-value
RaftersSheathing:Shingles:Shingles: INSULATION: Exterior Walls: Type Interior Walls: Type EXTERIOR DOORS: Type	Grade Drip edge R-value R-value	Thickness Ventilation _ Roof/Ceilings Floor: Type Brand	Underlayment Gutters : Type R-value R-value
Rafters Sheathing: Shingles: INSULATION: Exterior Walls: Type Interior Walls: Type EXTERIOR DOORS: Type Type	Grade Drip edge R-value R-value Material	Thickness Ventilation . Roof/Ceilings Floor: Type Brand Brand	Underlayment Gutters : Type R-value R-value

WINDOWS: Type	Material	Brand	Hardware
			Hardware
CABINETS & VANITIES Kitchen Cabinets		(Countertops
Bathroom Vanities	Brand	C	Countertops
Cabinet Allowance: \$			
SURFACE FINISHES: Interior Walls: Material _		Brand	Coats
Interior Trim: Material		Brand	Coats
Ceilings: Material		Brand	Coats
Stained Surfaces: Materia	al	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 Sin	k Bathroom Lavatories
Water Heater	_ Brand & Model		Storage Capacity gallons
Toilets:	Quantity	_Showers	Quantity
Bathtubs:	Quantity	Whirlpools	Quantity

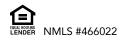


VSB



HVAC: Heating: Type	Brand	Fuel	Fuel Storage
Air Conditioning: Type	Brand	Model	Size
Kitchen Vent:	Brand	Bathroom Vents:	Brand
ELECTRIC WIRING:	No Circuits	Wire: Type	
Size	Special Outlets:		
LIGHTING FIXTURES: Total number of fixtures:	Total allowance fo	r fixtures:	Special fixtures:
APPLIANCES: Range	_Refrigerator	Dishwasher	Microwave
Disposal	Washer	Dryer	Other
Appliance Allowance: \$ _		-	
GARAGES: Attached	Unattached	Automob	ile 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 MVSB 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		



CONTRACTOR CONSTRUCTION BUDGET

EXHIBIT C

When to complete this: This form must be thoroughly completed by all builders for each project.

Please note the following:

- 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.

BORROWER NAME:		DATE:		
LOCATION:		CONTRACTOR:		
		GENERAL CONTRACTOR SELF-GENERAL CONTRACTOR		
ITEM	COST	PAID DEPOSITS	BALANCE	EXPLANATION
1. Excavation, Lot Clearing, Fill, Drainage				
2. Foundation, Damp Proofing				
3. Septic System or Sewer Line				
4. Well or Water Line				
5. Frame House & Garage				
6. Roofing				
7. Windows & Exterior Doors				
8. Garage Doors				
9. Concrete Floors				
10. Plumbing				
11. Plumbing Fixtures				
12. Electrical				
13. Electrical Fixtures				
14. Heating System				
15. Chimney & Fireplace				
16. Siding				
17. Insulation				
18. Drywall or Plaster				
19. Exterior Paint or Stain				
20. Interior Doors and Trim				
21. Interior Paint/Wallcoverings				
22. Cabinets and Counter Tops				
23. Flooring				
24. Porches/Deck/Steps				
25. Finish Grade & Landscaping				
26. Driveway/Walkways				
27. Appliances				
28. Project Management / Permits				
29. Other (Attach detailed description)				
Subtotal				
Self GC Bank Reserves (10% contingency of TOTAL Cost)				
Contractor Bank Reserves (5% contingency of TOTAL Cost)				
TOTALS for Self GC				
TOTALS for Contractor				

BORROWER

DATE

CONTRACTOR

DATE



Revised 5/23 MVSB223010

BORROWER

FDIC NMLS #466022

DATE

GENERAL CONTRACTOR / SELF GENERAL CONTRACTOR QUALIFICATION FORM EXHIBIT D

When to complete this: Only new builders to MVSB 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.

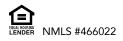
Borrower(s) Names:					
Subject Property:					
Builder's Name:		Social S	ecurity #:		
Business Address:					
Telephone Number(s):	Years in Business:	E			
Website:					
Number of Employees:	Homes built last year:	_Expected to	build this year:		
Last Year's Gross Income: \$	How is your Business	structured? _	Incorporated	LLC	DBA
Provide 2 customer reference	<u>s below detailing projects you hav</u>	<u>e completed s</u>	similar to the propo	sed proje	<u>ct</u>
Name:		_ Phone:			
Address:		_ Project Com	pletion Date:		
Name:		_Phone:			
Address:	Project Completion Date:				
Provide 3 Builder Supplier/Su	b-Contractor references				
Name:		Ph	one:		
Account Number:	Attn:	# o	f Years as a Client: _		
Name:		Ph	one:		
Account Number:	Attn:	# o	f Years as a Client: _		
Name:		Ph	one:		
Account Number:	Attn:	# o	f 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 Meredith Village Savings Bank, Merrimack County Savings Bank and Savings Bank of Walpole.

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 MVSB. 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

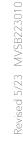
The undersigned certifies that all work and materials for the amount indicated above has been completed or consumed. The undersigned has been paid in full for all completed work and supplied materials.

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 Meredith Village Savings Bank referred to date.

Signed this ______ , 20_____ , 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



Payments

Funds will be available for disbursement 5 to 10 business days after the loan closes. If you bank with us, the funds can be deposited directly into your account.

To mitigate risk for our customers and the Bank and to help keep projects within budget, MVSB disburses funds to builders, contractors and subcontractors once work has been completed, and highly discourages the payment of deposits prior to construction. Because we employ fastidious construction experts at the Bank, we are able to quickly confirm completion and disburse payments quickly.

During the course of construction, disbursements can be requested for work completed provided MVSB has also completed an inspection. To request a disbursement, please:

- Ensure that the Identification of Construction Lending Notice has been posted on the property.
- Contact MVSB's Construction Loan Coordinator, Allison Vosgershian, to request a property inspection at avosgershian@nhmutual.com or 603.279.9118.
- Detailed invoices outlining the work and materials and associated costs.

If all required documentation has been received, disbursement requests made by 1pm on Tuesday will have an inspection on Wednesday or Thursday and funds will be available by the end of business on Friday.

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. In addition, payments for supplies can be made directly to the supplier.

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. At the loan closing, any significant design or material changes will be reviewed for approval by all parties, including MVSB. Your client, the borrower, will be responsible for any change orders that are not in the budget and will need to supply MVSB with the funds required. MVSB will then 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.

