

AMERICAN HOME LOANS

BUILD YOUR DREAMSM
CONSTRUCTION LOAN & MORTGAGE LOAN IN ONE



AMERICAN
Home Loans

A division of American Savings Bank
NMLS #423168



EQUAL HOUSING
LENDER

Member FDIC

asbhawaii.com

AMERICAN HOME LOANS IS WITH YOU EVERY STEP OF THE WAY!

Navigating the mortgage loan process can sometimes be confusing – that’s why American Home Loans is here to help. Our experienced and knowledgeable Residential Loan Officers will work with you and guide you step by step along the path from financing to completing the home of your dreams.

Our Build Your DreamSM Construction-Permanent Loan combines construction and permanent loan financing into one easy step*.

Here are just some of the many great features:**

- Convenient one-time closing.
- Available for new home construction as well as property additions and renovations.
- Loan amounts and Loan-To-Value (LTV) ratios available as follows:†

Loan Amounts Up To:	LTV:
\$625,500	80%
\$1,000,000	75%
\$1,500,000	65%

- Fixed Rate Mortgages available.
- During the Construction phase, monthly interest-only payments on funds disbursed plus reserve items for taxes, insurance, etc.
- Monthly principal and interest payments commence after the construction period stated on the Construction Contract.
- 12-month and 18-month construction periods are available.

Special feature:

In the event fixed rates are lower when construction is completed, borrowers have a one-time option to take advantage of those lower rates. Fees and restrictions apply.

*Credit application required. Certain terms, conditions and restrictions may apply.

**Program subject to change or discontinuation without notice. Not intended for owner-builders.

†Terms offered are for owner-occupant properties only. Different terms are available for second homes. Not available for investor loans.



CONSTRUCTION LOAN PROCESS

CUSTOMER

Submit your application.

Submit your mortgage loan application along with the required documentation. Additionally, you will need to provide your plans and specifications as well as your Construction Contract. For more information on these items, please see our "Residential Construction Loan Requirements Checklist" on the back cover.



Loan is approved.

Prior to loan approval, submit your course of construction insurance binder, including hurricane coverage and flood insurance documentation (if applicable to your home).



Loan closing.

If everything is in order, loan closing is scheduled for you to sign your mortgage loan documents!



Construction is completed!



BANK & CONTRACTOR

Loan processing begins.

The verification process includes obtaining important items such as your appraisal, title report, and credit report.



Bond application is submitted.

The Contractor applies for a Uniform Performance & Payment Bond, as well as a County issued permit. These items are important; make sure to submit them after loan approval.



Funding for construction begins.

At this time, the initial loan disbursement is made to the bonding company.



Construction begins.



Inspection and appraisals.

Incremental loan disbursements to cover the construction costs are made as directed by the construction contract. These loan disbursements are subject to satisfactory review of property inspections to ensure that you are paying for completed work only.



Conversion to permanent mortgage.

Your Construction Loan will be rolled over into a permanent Mortgage.



RESIDENTIAL CONSTRUCTION LOAN REQUIREMENTS CHECKLIST*

Licensed General Contractor

A licensed general contractor is required for all construction loans.

Construction Contract

The Construction Contract outlines how much the project will cost, what the responsibilities and obligations of the homeowner and contractor are, and the disbursement schedule, among other important topics. The contract must be on a form acceptable to American Savings Bank and must be executed by contractor and customer. The final disbursement must be no less than 10% of the contract amount.

Plans & Specifications

At a minimum, we require working plans that can be relied upon for appraisal purposes. The contractor must certify that the plans and specifications used to process the appraisal are exact copies submitted to the County's Building Department.

Payment & Performance Bond

The Payment Bond provides assurance for the homeowner and the lender that the project will be completed. It must be on a form and from a company acceptable to American Savings Bank for 100% of the Construction Contract amount.

Building Permit

You will need to have a copy of the County-issued Building Permit.

Property Inspections

At the time of each disbursement we require a property inspection to ensure that the associated milestone identified in the Construction Contract was achieved before releasing funds.

Notice of Completion

In order to convert your construction loan to permanent financing, your bonding company will need to provide American Savings Bank with a Notice of Completion.

*Your actual requirements may differ based on variables such as bonding company or details of your Construction Contract. Other documents may also be requested. Consult your American Home Loans Residential Loan Officer for more information.



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