
What You Need to Know...

Construction Loans

If you have any questions or concerns about your Construction loan please contact our Loan Operations at (808) 846-4660 or email loconstruction@asbhawaii.com.



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asbhawaii.com



AMERICAN
Savings Bank

Congratulations on your new Construction Loan with American Savings Bank (ASB). Our Loan Operations Construction group will manage your loan through the construction phase and will contact you when the first disbursement request is made. We're pleased to have you as a customer.

Construction Loan

- There is a 12 to 18-month build period referred to as the construction phase.
- Your Payment and Performance Bond is guaranteed by a Surety or Bonding Company and provides assurance that the project will be completed. Construction is bonded at no less than 100% of the contract, depending on the company used.
- Funds are disbursed in accordance with the draw schedule specific to your build. Your contractor will request funds from the bonding company and ASB. We will contact you prior to any disbursement of funds.
- Prior to each disbursement, per the construction contract, we send an appraiser to inspect the project. This ensures that the construction plans and disbursement schedule are in compliance before additional funds are released.

Statements

- Statements are generated on the first business day of the month to capture the prior month's activity.
- Interest and Escrow payments are due on the 10th of each month. (Principal payments are deferred until either after the interim build period is completed, or 60 days after the last disbursement, whichever is sooner.)

- Payments may be made at any branch, by mailing back the coupon with a check, or by submitting an electronic payment.
~ We do not currently accept ACH payments during the construction period. ACH can be established after construction, when the loan is converted into a permanent mortgage.
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Common Questions

What documents do I need for the construction loan?

You will need a construction contract with a licensed general contractor. Your contractor will apply for a Uniform Performance & Payment Bond as well as a County issued permit.

What do I have to do to convert the construction loan to a permanent mortgage?

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.

What happens if rates go down during the 12-18 month construction period?

In the event that 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. Consult your Residential Loan Officer.