

AMERICAN BANK, N.A.

INTERIM CONSTRUCTION LOAN CHECKLIST

Use this handy checklist to keep track of the items you will need to provide at various stages of your interim construction loan.

PRIOR TO LOAN APPROVAL, WE WILL NEED:

- A set of plans and specifications
- Construction cost estimate
- A permanent loan commitment (from American Bank-Mortgage Center or other acceptable lender)
- A copy of the building contract and Bank's approval of Builder (see attached)
- A copy of the Mortgage Loan Application and supporting documentation (your permanent lender can usually provide this information)

THE FOLLOWING ITEMS WILL BE NEEDED PRIOR TO CLOSING THE INTERIM LOAN:

- An appraisal on the property and proposed improvements
- Survey or plat of the property
- Proof of equity funds (if required)*
- Title commitment showing no liens or exceptions on the property (provided by the title company)
- Flood hazard determination

* Please note that equity funds are required prior to any loan funds being advanced.

TYPICAL CLOSING COSTS ON AN INTERIM CONSTRUCTION LOAN:

- | | |
|--|--------|
| <input type="checkbox"/> 1% origination fee, based on the loan amount | |
| <input type="checkbox"/> Appraisal fee | \$500* |
| <input type="checkbox"/> Legal fees | \$350 |
| <input type="checkbox"/> Owner's Title Policy (based on appraised value) | \$** |
| <input type="checkbox"/> Mortgagee's Title Policy-simultaneous issue with Owner's Title Policy | \$100 |
| <input type="checkbox"/> Recording, escrow and miscellaneous fees | \$500 |
| <input type="checkbox"/> Inspection fees, if necessary | \$200 |

* Larger or rural properties may be more than \$500.

** Effective November 1, 2005, The Texas Department of Insurance requires a mortgagee's title policy to be purchased at the construction loan closing. The fee is based on loan amount. Your loan officer or title company escrow officer can give you an estimate of this cost. **You should also visit with the escrow officer about the benefits of increasing your owner's coverage at this time.**

Please note that the closing costs on your interim construction loan are in addition to the closing costs you will have on your permanent loan.

Remember to take a cashier's check to the title company for your loan closing costs, because by law they cannot accept personal checks.

IMPORTANT THINGS TO REMEMBER:

- Federal law requires a 7 business-day wait period between the time you receive your early disclosures (i.e. TIL and GFE) and loan closing. Please note: subsequent changes to your loan amount, interest rate, or to the fees you pay to close your loan may require additional disclosures and could delay your closing up to an additional 6 business days.**
- Construction cannot begin until the loan documents are executed and recorded.
- The maximum interim construction loan is 85% of the cost or appraised value, whichever is lower. Additional collateral may be pledged to obtain a higher loan to cost or value.
- Interest Payments on the construction loan are required on a monthly or quarterly basis.
- Interest Rate and Terms will differ from the Permanent Mortgage

X. _____
Borrower's Initial

X. _____
Borrower's Initial