



# Building Your Dream Home

## Your Guide to Understanding the Construction Loan Process

Building your dream home is exciting – from finding the perfect property to picking out your finishes and fixtures. But before you break ground, you need to secure the funds to make it all happen. Our team of mortgage experts is here to make that process easy, by providing a guide to help you stay informed and on track every step of the way!

### MONTHLY PAYMENTS

Throughout the construction process, you will be responsible for making monthly interest payments and paying the property taxes until the home is built and the loan is modified.

Once Elements begins making disbursements on your construction loan, you will start to receive interest statements on the disbursements to your mailbox on the 15th of the month with payments due on the 1st.

At any time, you can pay down on the principal balance of your loan while the home is being constructed. Once the home is complete, there will be a freeze on your construction loan. We will then be unable to accept principal reduction payments and can only accept the final interest payment in order to modify your construction loan.



## **DRAW REQUESTS**

### **1) Fill out Draw Request Form**

Your mortgage loan originator will email you this form to start the process. Be sure the builder, as well as all borrowers on the loan sign this document. Then, email the completed form to [constructiondraws@elements.org](mailto:constructiondraws@elements.org).

### **2) Wait for Elements to Review**

We will order a title update as well as a construction inspection of the property during this process. Then, our team will review the draw schedule and the inspection to ensure the funds being requested are for work that has been completed.

### **3) Payments Released to Builder**

Our team will take care of wiring funds to the builder via wire transfer.

## **FIRST DRAW**

Your first draw disbursement may take longer as we will also need to obtain a foundation survey. Please work with your builder to submit this request in advance to allot for the time to have the survey completed. This can take anywhere from 1-3 weeks.

## **FINAL DRAW**

In order to disburse the final draw, we will need the following items:

- Signed Draw Request Form
- Final Title Update
- Final Appraisal Inspection
- Certificate of Occupancy
- Homeowner's Insurance: Declaration page and proof of payment for one full year

\*If there are weather-related items such as grade/seed to be completed, Elements will work with you to navigate through that process for future disbursement.



# CONSTRUCTION MODIFICATION

## Modify Your Loan

Once your home is complete and we have reached the end of the 12 month construction term, you will be contacted by an Elements representative to pay your final interest-only payment and modify your loan to full principal and interest payments.

## Set Up Your Escrow Account

At this time, your escrow account for property taxes and homeowner's insurance will be set up. You will be required to make a deposit into your escrow account. At minimum, we will collect 3 months of property tax/homeowner's insurance premiums for the initial escrow account deposit.

## Access Your Loan

Once your modification is complete, you will receive information regarding your new loan and mortgage payment. You will be able to access your loan through [elements.org](https://elements.org). From the main menu, you will be able to review the specifics of your loan as well as make payments by clicking on the tile with your mortgage information.

Chris' goal is to stay in contact with you every step of the way. If you need guidance, he is here for you.

[elements.org/ckerr](https://elements.org/ckerr)



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