

CONSTRUCTION AND CONSTRUCTION/PERMANENT LOAN REQUIREMENTS DISCLOSURE

- _____ 1. At the time of application, borrower will be required to provide to the lender:
- a) Complete plans and specifications for construction
 - b) Fully executed contract for construction
 - c) Complete firm estimates/bids for all materials and labor (if applicable)
 - d) Copy of Deed proving ownership of the lot
 - e) Check for 1% of the loan amount as a 'Good Faith' deposit at lock-in. This deposit will be credited to you at time of loan closing.
- _____ 2. Prior to the first disbursement of funds, we must be in receipt of a copy of your building permit and the preliminary survey.
- _____ 3. At Closing, you and your General Contractor must execute the Construction Loan Agreement. This document outlines the policies and procedures of this program. If needed, a preliminary copy of this agreement can be provided by your loan officer or processor upon request.
- _____ 4. On Construction/Permanent loans, an escrow account will be established for the payment of Real Estate Taxes and Homeowners Insurance. The amounts will be set at closing for the payments during the construction term. These amounts will be adjusted at the time the loan 'Rolls' to permanent financing to reflect the updated insurance premium and an estimate of full-assessed taxes.
- _____ 5. On Construction Loans, there will be NO escrow account set up for payment of Real Estate Taxes or Homeowners Insurance. These bills must be paid by the borrower and a copy of the paid receipt must be provided to the Construction/Perm Coordinator as soon as it is available.
- _____ 6. You are strongly encouraged to make the General Contractor aware that the construction period is SIX months and that there may be fees incurred and/or program or interest rate changes made if construction is not complete (see item 7c below) by the expiration of the construction period. The fees and/or penalties will not be waived due to weather or unavailability of back-ordered items.
- _____ 7. At the expiration of the six-month construction period, the following items must be provided to Heartland Bank:
- a) Final Spot Survey showing the location of all property improvements
 - b) Full homeowner's insurance coverage acceptable to Heartland Bank
 - c) Final Inspection by Heartland Bank's appraiser evidencing all work is completed according to the contract. This includes driveway, walkways, patios, decks, grading of the land and seed (or sod).

I/We have read, understand, and accept the terms and conditions of this Loan Requirements Disclosure.

Borrower

Borrower

Date Accepted

Bank Representative