

Construction Loan Documentation Requirements

The following information is provided as a general guide to the construction loan process. For more specific information, please contact your lender and/or attorney.

When you are planning for a construction loan application, one of the most important steps you can take before you apply is to gather the construction loan documentation you may need to supply with your application. Which construction loan you select will determine the exact documentation requirements.

Income Documentation

- Last 2 years W2 forms.
- Last 2 pay stubs (covering 1 month).
- Last two years signed 1040s, all schedules if 25% or more of your income is from self-employment, overtime, commissions, or employment by a relative.
- Last 2 years business tax returns if you own 25% or more of a business.
- Current business income statement.
- Proof of Social Security, pension, or disability income.

Asset Information

- Last 3 months bank statements - all pages.
- Last quarter investment or trust accounts
- Copies of stocks, bonds, or US savings bonds
- Current statement for 401(k) or IRA accounts
- Real Estate you now own: address, current value, loan balance, monthly payment, and rental income if any.
- Listing agreement and sales contract if selling your current home.
- Value of autos, boats and any other personal property.

Liability Information

- Complete list of current debts and minimum monthly payments (may be taken from credit report).
- Last 12 months cancelled checks (front and back) for rent or land contract.

Builder Information

- Copy of your construction contract.
- House plans and specifications (provided by modular home dealer).

Purchase Transaction

- Copy of signed Purchase and Sales Agreement (including all addenda and attachments)
- Listing sheet

Construction Loans

- Fully executed estimates/contracts to support line items on specification sheet, detailing work to be completed and cost to complete (all estimates need to be recent estimates and dated within 120 days from the closing date)
- Copy of house plans
- Driveway permit, building permit, septic approval, and Current Use change penalty application and approval, if applicable
- Copy of the most recent Warranty Deed for the subject property
- Copy of the most recent property tax bill

Miscellaneous Information which may be required

- Copy of Drivers License or picture ID at closing.
- Gift letter signed by donor and proof of receipt.
- Landlord's contact information (if applicable).
- Copy of your earnest money deposit check.
- Contact name and phone for appraiser's access to property.
- Your Realtor's contact information.
- Copy of your HUD statement (from closing) if you already own the land.
- Builder's Risk insurance binder (Builder's Risk insurance protects the lender during construction should damage occur to your house. Once construction is completed, your builder's risk policy will be converted to a standard homeowner's policy).