



CONSTRUCTION LOANS

CONSTRUCTION LENDING BASICS:

- Maximum loan amount is 80% of appraised value
- Builder must be approved by Reliance State Bank
- Interest only payments on amount advanced throughout 12-month draw period.

NEXT STEPS:

- Complete application – Reliance State Bank will approve the construction loan as well as pre-qualify you for the end loan with one application
- Provide plans, specs and cost estimates so a construction appraisal can be ordered
- Obtain and provide proof of Builders Risk Insurance by date of closing
- Draws will need an itemization with corresponding invoices for each sub-contractor
- Reliance State Bank will complete periodic construction inspections. Lien waivers will be required with each new draw request

ESTIMATED FEES FOR CONSTRUCTION LOAN (SUBJECT TO CHANGE):

- Origination fee: 1% of loan amount
- Construction appraisal: \$450 - \$1,000, depending on scope of project
- Attorney fees: \$300
- Abstracting: \$150 (purchase), \$300 (if already own lot)
- Mortgage recording: \$57
- Flood determination: \$11
- Credit Report: \$60

ESTIMATED FEES FOR END LOAN (SUBJECT TO CHANGE):

- Closing fee: \$750
- Flood determination: \$11
- Credit report: \$110
- Appraisal update: \$150
- Mortgage recording: \$64
- Title guarantee fee: \$90
- Abstracting: \$200 - \$300
- Attorney fee: \$170 - \$300
- Other fees as applicable to each transaction

For additional information, please contact one of our lenders

loans@RSBiowa.com or (515) 733-4396 in Story City, or (641) 923-2801 in Garner

As a part of the Safe Act, all mortgage lenders must be registered. Registration allows you, as a consumer, to verify that a lender is reputable by looking up their NMLS ID number through a government website, www.nmlsconsumeraccess.org.



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