

MAKING SENSE OF CONSTRUCTION FINANCING:

A GUIDE FOR CLIENTS

Making Sense of Construction Financing

Home construction and renovation projects can be confusing. Westboro MIC is here to make it simple.

Westboro MIC- Common Sense Lending

Westboro MIC is a private lender providing common sense mortgage solutions. Westboro has been involved in construction financing since 2004, and this brochure gives you a simplified walk-through of the exciting project you're about to begin.

Why Westboro MIC?

Westboro MIC's commitment to quality service and communication gives you a sense of clarity as you embark on your construction project. Transparency and efficiency are the top priorities, and as such you can count on these Westboro advantages:

- ▶ Same-day service
 - ▶ Speed of access to draws- same day or within 1 day
 - ▶ Westboro accrues interest, so you don't have to try to make payments during the process
 - ▶ Access to draws at any point during construction
 - ▶ Transparency- you will always be in the loop!

Talk to a mortgage professional

Before you start your home construction, it's very important to talk to a mortgage professional. They will help guide you through the entire process, and give you a better understanding of what is required for each step.

Mortgage professionals will make your experience simple, and will give you insight on what to expect.

Construction options with Westboro MIC

- ▶ Self builds
- ▶ Major renovation projects (flips, purchase plus improvements)

What documents do you need?

To begin the construction financing process, Westboro will need proof of the following:

- ▶ Application and credit bureau completed by a licensed mortgage agent or broker
- ▶ Building plans
- ▶ Detailed list of costs to complete
- ▶ Plans or permits relevant to the project
- ▶ Appraisal stating the "as if complete" value
- ▶ Clients must have knowledge and ability to complete project (in case of self-build), or be working with a general contractor who has experience with self-builds

Financing details

Here are some important points to consider during the financing process:

- ▶ Westboro can finance up to 80% of the "as if complete" value
- ▶ Westboro allows you to have access to draws when required, and there is no limit to the amount of draws.
- ▶ Interest is only charged on the funds that have been advanced to date
- ▶ A 10% lien holdback applies for each draw, and is released 60 days after property is complete
- ▶ Construction mortgage rate is 9.99% and is fully open
- ▶ Here is a draw schedule and progress report example. Your progress will be confirmed by a licensed appraiser.

| | Item | %Complete | % To Date | Comments |
|---|---|------------------|------------------|-----------------|
| A | Excavation, footings, foundation | 12% | | |
| B | Damp-proofing, weeping tile, backfill | 2% | | |
| C | Framing, sheathing, roofing completed | 17% | | |
| D | Exterior doors and windows installed | 6% | | |
| E | Roughed-in electrical | 3% | | |
| F | Roughed-in plumbing and floor drains | 2% | | |
| G | Roughed-in heating | 2% | | |
| H | Insulation and vapour barrier | 2% | | |
| I | Exterior finish (siding, stucco, trim) | 9% | | |
| J | Interior wall, ceiling finish | 8% | | |
| K | Finish carpentry (trim cabinets placed) | 9% | | |
| L | Heating equipment complete | 5% | | |
| M | Electrical complete | 1% | | |
| N | Plumbing complete | 4% | | |
| O | Basement floor placed | 3% | | |
| P | Painting complete (interior, exterior) | 5% | | |
| Q | Interior doors | 2% | | |
| R | Finish floors | 3% | | |
| S | Services | 3% | | |
| T | Grading, site improvement | 2% | | |
| | Total | 100% | | |