



Facilitating Neighborhood Revitalization

CONSTRUCTION FUNDS Disbursement Procedures

Silverado Funding will release construction funds based on the Construction Budget which must be approved during the Construction Loan Process. The Construction Budget amount will be final upon close of the loan. Please be sure your budget numbers are accurate as any change to the total after closing would require a Note Modification and a new approval process.

Onsite inspections will be done on a monthly basis between the 25th and the 5th of the month. The scheduled inspection time frame should coincide with your draw submittals and will be considered as the monthly allotted inspection. Should you require a 2nd inspection, the fee of \$150 will apply. All construction loans will be automatically scheduled for inspection; exceptions are for first draws on newly closed loans.

Construction funds will be released in a series of draws on a monthly basis. Draw requests submitted, will be processed within 10 business days of receipt. Draw requests are to be submitted on the "Construction Budget and Draw Request Form" and must be accompanied by invoices or receipts for all funds. The form must be signed and dated by the Borrower. A list of Vendor/Payees will also be required with Name, Address and Contact Information (Contact Person, Phone Number, Email Address). Upon approval of inspection and verification of all required documentation, lien waivers will be issued to vendors for all invoices submitted. Upon receipt of signed waivers, Funds will be disbursed directly to Vendors and/or Contractors by Silverado Funding. Signatures will be required on appropriate Lien Waivers in order to receive payment. The Borrower may receive construction funds directly on amounts already paid only if accompanied by a Vendor's paid receipt and Lien Waiver. **NO FUNDS WILL BE DISBURSED WITHOUT PROPER DOCUMENTATION.**

After the sixth (6) draw an additional processing fee may be charged at lender's discretion. Borrowers are allocated one (1) construction draw per 30 day period. Charges will apply for additional draws and/or inspections within a 30 day period.

Interest:

After draw disbursement, interest reserves (if any) will be applied to the loan and Borrowers will be issued a statement of account. If no interest reserve was established, interest will be due and payable upon receipt of statement.

Transfers:

Any changes between line items must be submitted in writing and are subject to approval. Undisbursed line item balances may be utilized for other line items but may be transferred to Contingency funds. Requests for line item transfers must be made using the "Authorization to Transfer Funds" form. Please complete and submit the form prior to the next Draw Request.

I have read and acknowledge that I understand the Construction Draw Process

Borrower Signature

Date