

## Getting Started

### **Does Cape Cod 5 provide additional information about the construction loan to help borrowers understand and navigate the process before work begins?**

Yes, the Construction Loan Servicing team will send a welcome letter to the borrower shortly after loan closing that explains all aspects of the process in detail. Your account is assigned to a designated Construction Loan Servicing representative to help facilitate property inspections, loan disbursements, and to assist with any questions or concerns.

### **If I have unique circumstances and need to explain or ask for an accommodation, whom should I contact?**

Please work directly with your mortgage officer during the loan application process to address any questions or concerns.

## Loan to Deposit Transfer

### **After loan settlement, how are construction loan proceeds made available to me?**

A member of the Construction Loan Servicing team will process a loan advance and immediately transfer the proceeds into the Cape Cod 5 checking account that you are required to establish for this purpose. The Construction Loan Servicing team will communicate the results and confirm the deposit to you as well.

### **How do I establish a Cape Cod 5 checking/deposit account, and is there a monthly service charge to maintain it?**

You can apply online or visit one of our Banking Centers to open a PrimaryPlus checking account that includes an 18-month period without service fees.

## Loan Disbursements

### **What needs to happen before I request a disbursement?**

The amount and timing of your loan advance is subject to evidence of completed work verified by a site inspection of the property.

### **When should I ask for my first disbursement?**

Cape Cod 5 releases construction loan proceeds in accordance with its advance schedule. The first eligible work item is the foundation. Site clearance, excavation, deposits, and materials orders do not qualify.

### **How can I access funds from my construction loan?**

Loan advances can only be authorized and disbursed by members of the Construction Loan Servicing team. Please email the [constructionloangroup@capecodfive.com](mailto:constructionloangroup@capecodfive.com) or call us at **888-225-4636** and ask to speak with a representative of the Construction Loan Servicing team. This cannot be completed at a Banking Center at this time.

### **How are disbursement amounts calculated?**

We disburse a percentage of the overall "Construction Balance," i.e. the total loan amount less money taken at closing, based upon completed work items referenced in Cape Cod 5's advance schedule.

### **If I receive invoices from my builder, can I/should I remit to Cape Cod 5?**

You are welcome to send them into us, and they may be helpful in determining progress made to date, but they are not a substitute for the property inspection needed to validate completed work and prompt a disbursement of loan proceeds.

## Property Inspection

### Who do I contact to request an inspection?

Please email the [constructionloangroup@capecodfive.com](mailto:constructionloangroup@capecodfive.com) or call us at **888-225-4636** and ask to speak with a representative of the Construction Loan Servicing team.

### After I have asked for a property inspection, how long will it be before I can expect to receive a disbursement?

We order the inspection results immediately and usually have results back within five (5) business days. Loan disbursement and deposit to your Cape Cod 5 checking account generally occurs the same day as inspection results are made available to us.

### Is there a charge for property inspections?

Cape Cod 5 collects for the cost of six (6) inspections at loan closing. The loan will be charged for each additional inspection over and above this limit.

## Billing

### When and how am I billed?

Your first payment is due on the 1st of the month beginning 30+ days after loan closing. Billing is interest only for the initial 12-month period of the loan or up until project completion if that occurs first. Principal and interest repayment of the remaining loan term begins immediately thereafter.

### Can I have my loan payment automatically withdrawn from my Cape Cod 5 deposit account each month?

Yes, at time of closing there is an auto-pay form provided for you to enroll in this service.

### When and how does the loan change to monthly principal and interest (P&I) payments?

P&I payments begin immediately following expiration of the initial 12 month interest only payment schedule (unless the construction project is completed ahead of schedule). The conversion to P&I repayment for the remaining loan term is performed manually by a member of the Construction Loan Servicing team.

## Modular Home

### I am contracting with a modular building company to construct and deliver the units to my property site. How can that be paid for?

Cape Cod 5 will honor the contract amount agreed upon and disclosed to Cape Cod 5 pre-closing, advance those funds from the loan, and disburse to the borrower and/or the modular company or the general contractor **on the day that the modular units are set on the foundation.**

### What if the modular company/general contractor wants payment made directly to them?

Cape Cod 5 can accommodate these requests in check form or by wire transfer subject to a **Cape Cod 5 Assignment of Funds** document sign-off by the borrower, modular company representative, and authorized Bank representative.

## Flood Insurance (if applicable)

### I have been told that flood insurance will be required on my new home, but construction has not yet started. When do I need to purchase coverage?

A flood insurance policy for required building coverage must be in force as soon as work begins or immediately after a foundation has been poured.

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Reach out to us. We're here to help.  
[capecodfive.com](http://capecodfive.com) | 888-225-4636



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