

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 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 the Bank's advance schedule.

If I receive invoices from my builder, can I/should I remit to the Bank?

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 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?

The Bank 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 15-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 15 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?

The Bank will honor the contract amount agreed upon and disclosed to the Bank 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?

The Bank 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.

