



**CONVENIENT LOCATIONS TO
SERVE YOU:**

**46 Main Street
Akron, NY 14001
Phone: 716-542-5401**

**77 Buell Street
Akron, NY 14001
Phone: 716-542-1617**

**9865 Main Street
Clarence, NY 14031
Phone: 716-759-9580**

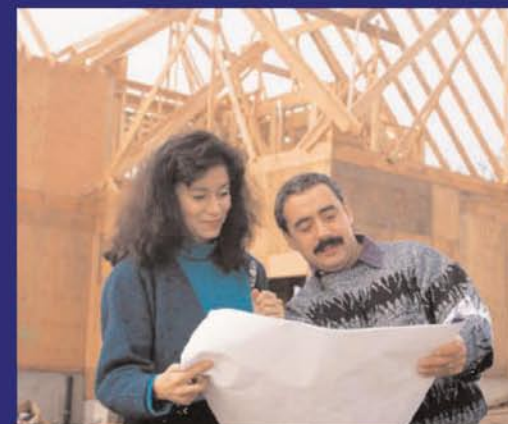
**9470 Clarence Center Rd.,
Clarence Center, NY 14032
Phone: 716-741-8466**

**3619 Walden Avenue,
Lancaster, NY 14086
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www.bankofakron.com



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a little extra
Bank of Akron
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program for you!**



Owner-Built Homes

Team-oriented environment

**Your construction specialist
will be with you at all stages
of development.**

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Construction Mortgages **Owner-Built Homes**

Congratulations on your decision to build your own new home acting as your own general contractor! Bank of Akron looks forward to making your experience easy and stress free! Our team members will be by your side during the whole process and will be available to answer all of your questions.

When owner built is your choice, we allow financing terms up to 12 months for the construction period.

Point(s) are charged on the amount of the construction mortgage loan – currently one point is charged (one point is equal to 1% of the amount of your loan). This charge is added to your closing costs.

To cover concerns that you are well protected against hazards during your construction, we require that you obtain hazard insurance with builder's risk coverage in the amount of the construction mortgage. A builder's risk policy protects you for property damages, material damages and loss, theft, etc. If your property is in a designated flood zone, flood insurance is mandatory.

You will need to provide the bank with construction cost estimates, plans and building specifications in order for us to determine the appraised value of your completed home along with a copy of your building permit when received from your local township. The project must be completed according to the plans and specifications provided to Bank of Akron. Appraised value is based on these plans and specifications.

We will finance up to 75% of the appraised value of the finished home and building lot.

You will make monthly payments of interest only as the draws are advanced during the construction term. Your interest rate is set at the time of your application for the initial construction mortgage.

Our standard construction loan draw schedule is four (4) draws. We have a standard schedule which outlines the stages of completion required for each draw. We will provide you with a copy of the draw schedule at the time of your application.

Bank of Akron offers you a FREE checking account to manage the funds (draws) for the construction project. The draws may be deposited directly into this checking account per your authorization if you choose this option. Otherwise the draw check is made payable directly to you.

Before your first draw we will require you to obtain a location survey which shows the location of your foundation on the property.

When each of the 4 draws is requested, you will need to sign a "Lien Waiver Letter" provided by the bank. The bank then orders an inspection from the appraiser and the title search is updated to verify that there are no intervening liens (i.e. mechanic liens) and the draw is released upon completion of these steps. We will then issue a check for the amount of the draw request payable to you.

Don't worry if it takes you a little longer than the construction period term as we allow extensions for completion of your project. The maximum extension is 4 months at a fee of ¼% of your loan amount for each month extended. There are also fees associated with document preparation and

recording. We keep these fees as minimal as possible for you. With each extension, the required paperwork will be signed prior to the expiration of the commitment with an invoice itemizing the fees. If the required extension documents are not signed prior to expiration of commitment, this past due status on your account may be reflected in your credit report affecting your credit rating.

Upon receiving all of the following information, we advance the 4th and final draw to you. The town issues you a Certificate of Occupancy showing your construction is completed according to plans and specifications. We will need a final lien waiver letter from you. We then order a final inspection along with a final title search which protects you from any subcontractor liens. Now that your beautiful new home is complete, your construction loan may now be converted to a permanent loan. Bank of Akron offers many mortgage products and terms to meet your needs.

The interest rate will be at the current market's rate for the term of the mortgage and product that you select. The costs to convert the construction loan to a permanent mortgage are approximately 1/3 of the original closing costs.

To convert your construction loan to a permanent mortgage, you will need to complete a new application, provide us with current pay stubs, tax returns, latest two months bank statements from each bank you maintain accounts with and your latest retirement and investment statements. A new appraisal will also be required showing your finished new home and its final value.

The Bank of Akron team would like to thank you for sharing your new home construction with us and we will gladly assist you with any need you may have while living in your new home. Please call us. We are small enough to know you and large enough to serve you best.