

Processing Construction Loans in PowerLender®



PowerLender Versatility

PowerLender is a highly customizable, comprehensive loan origination and processing system capable of processing many types of loans, including construction loans. Generally, construction loans are defined as those available on a subject property that is either being built from the ground up or where extensive rehabilitation will be made.

Construction Draws

Part of what makes PowerLender adept at processing construction loans is its ability to handle construction draws permitting the lender to release funds in portions to ensure that the project will be completed in a timely fashion. It allows lenders to keep tabs on the progress of the construction or rehabilitation project through periodic inspections and/or disbursement of funds to the contractor.

PowerLender's Cost Estimates screen allows for data entry of the total cost of the project. The Cost Estimates screen details a set of commonly used elements and the cost allocation for those standard items. Custom items that may be unique to a particular construction project, like the swimming pool shown in the second column of the screen, may also be defined.

COST ESTIMATES Cost Estimates for Construction			
Cost List Detail			
Lot	200,000.00	Hardwood Flooring	20,000.00
Surveying, Engineering, Permits	25,000.00	Interior Painting / Staining	10,000.00
Excavation / Rough Grade	27,500.00	Exterior Paint	9,000.00
Foundations	30,000.00	Landscaping	12,000.00
Frame L/M	30,000.00	Deck L/M	12,000.00
Roofing & Flashing	17,500.00	Gutters	3,000.00
Siding L/M	16,000.00	Garage Doors	5,000.00
Windows / Doors	12,000.00	Well / Water	20,000.00
Fireplaces / Chimneys	17,500.00	Septic / Sewer	11,500.00
Rough Electric	15,000.00	Appliances	7,500.00
Rough Plumbing	15,000.00	Driveway / Sidewalks	18,000.00
Rough HAVC	15,000.00	Grinder Pump	75,000.00
Finish Electric	10,000.00	Pool	20,000.00
Finish Plumbing	10,000.00		
Finish HVAC	15,000.00		
Electrical Fixtures	15,000.00		
Insulation L/M	7,500.00		
Drywall L/M	25,000.00		
Interior Doors / Trim	20,000.00		
Stairs	6,000.00		
Cabinets / Counters	12,000.00		
Flooring	6,000.00		

(over)

Construction Status

Once construction begins, PowerLender tracks the construction progress by allowing lenders to record the degree of completion of the various construction phases in percentages. PowerLender displays the **Loan Budget** for each item and also calculates the amount of **Advance** and the **Balance To Finish** based on these percentages.

CONST STATUS Current Status of Construction				
Draw Status				
	% Complete	Loan Budget	Advance	Balance To Finish
Lot	100	200,000.00	200,000.00	
Surveying, Engineering, Permits	70	25,000.00	17,500.00	7,500.00
Excavation / Rough Grade	90	27,500.00	24,750.00	2,750.00
Foundations	100	30,000.00	30,000.00	
Frame L/M	25	30,000.00	7,500.00	22,500.00
Roofing & Flashing	0	17,500.00		17,500.00
Siding L/M	0	16,000.00		16,000.00
Windows / Doors	0	12,000.00		12,000.00

Depending upon the percentage of work completed, an amount of money is available to be drawn for payment to the contractor(s). This is shown at the bottom of the screen below. Additional draws can be made from the remaining amount available. The number of draws available is completely lender definable. More fields and screens can be easily added to cover a longer duration if desired.

CONST STATUS Current Status of Construction				
Draw Status				
		Loan Budget	Advance	Balance To Finish
TOTAL		770,000.00	279,750.00	490,250.00
% to Finish	63.6688			
Square Footage of Residence	4500			
Cost @ sq. ft. (less land)	126.67			
LESS: Borrower's UP_FRONT EQUITY			207,500.00	
Bank Loan as % of Project				
LESS: Previous Advances Total			48,125.00	
EQUALS: TODAY's AVAILABILITY			24,125.00	

PowerLender's construction loan capability also allows for ad hoc draws, full management and reporting controls, check printing, and other capabilities.

This easy and completely customizable construction loan capability is just one of the features that make PowerLender the LOS of choice. We back PowerLender with comprehensive training, outstanding 24/7 customer support and more than 30 years of mortgage lending system development experience.

If you'd like to know more about the benefits of processing construction loans or nearly any other type of loan with PowerLender, please call 800-628-4687 or visit us online at www.powerlender.com.