

## Construction Draw Guidelines

Subject Property Address: \_\_\_\_\_

Borrower Entity Name: \_\_\_\_\_

### **Construction Draw Release – Bank Account Information**

Please provide the bank account information where you would like your construction funds sent. Please ensure your banking information is accurate and eligible to receive wires.

Account Type (Checking/Savings): \_\_\_\_\_

Name(s) on Account: \_\_\_\_\_

Account Number: \_\_\_\_\_

Routing Number (Wire): \_\_\_\_\_

*Please note, all construction draws are sent via wire transfer. Please ensure this form contains your account's **wire** routing number, as some banks have different routing number for ACH and wire transfers. Any return fees incurred are the sole responsibility of the borrower.*

### **Construction Draw Overview**

#### **Construction Budget & Draw Schedule:**

- To secure loan underwriting approval, a Construction Budget & Draw Schedule must be reviewed and approved by our Draws Department. Your Loan Processor will provide our budget template, submit your proposed budget for review, and notify you of any necessary clarifications or revisions.
- **Once your loan is originated, Washington Capital Partners is unable to modify or reallocate the approved Construction Budget, nor can the construction fund amount be increased.**
- The borrower is responsible for any unforeseen construction costs or amounts exceeding the allocated line-item amounts in the Construction Budget throughout the project's duration.

#### **Reimbursement Basis:**

- Construction draws operate on a reimbursement basis, where funds are released following inspection of construction progress in accordance with the approved Construction Budget. Washington Capital Partners does not provide advance construction funds.
- Materials, fixtures, appliances, etc., must be installed at the time of inspection to be eligible for reimbursement. Partially completed work will be credited based on the percentage of completion.

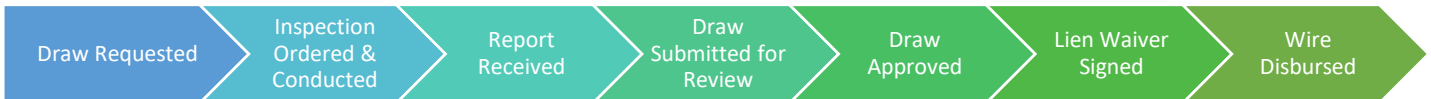
## Inspection Process Timeline:

Within 24 hours of submitting your draw request to WCP, an inspection company will contact you (or your designated point of contact) to coordinate the property inspection's date and time. Following the inspection, we typically receive the report within 48 hours. A member of our Construction Draws Department will promptly share the report for your review and address any questions. Upon acceptance of the results, the draw amount will be submitted to our loan committee for review. Loan committee review can take up to 4 business days. Once the draw receives committee approval, a **Lien Release or Lien Waiver** will be sent for signature. Once signed, the wire will be set up for disbursement on the same day. If draw approval or lien release signing occurs after our wire cutoff (4:30PM EST), the disbursement will take place the following day.

While we strive to expedite this process, we want to offer a worst-case scenario timeframe for your planning purposes.

### Lien Release/Waiver:

A lien release or lien waiver is a document verifying that there are no outstanding liens (mechanics liens or otherwise) against the property, apart from the loan from Washington Capital Partners. Typically, the document will be signed by a member of the borrowing entity prior to disbursement of a construction draw. **\*Please note, in some instances the contractor for the project must sign the lien waiver before we can submit the draw for review. If this is the case, you will be notified upon receipt of your completed inspection report.\***



## Inspection Fees:

All construction draws are subject to a minimum inspection fee of \$300 (or the actual cost of the inspection if greater than \$300) in addition to any charges that the borrower's banking institution may collect. The inspection fee and bank charges will be netted from the draw wire disbursement. Please reach out to your Draws Specialist if you would like to pay your inspection fee via the **WCP Rewards Program**.

### WCP Rewards Program:

For our repeat clients, please visit <https://www.washingtoncapitalpartners.com/rewards/> to see if you qualify for the WCP Rewards Program. To redeem rewards points, please follow these steps:

- Visit [www.washingtoncapitalpartners.com](http://www.washingtoncapitalpartners.com)
- Click "Log In/Sign Up" at the top right of the screen
- Create an account using the email address we have on file (rewards points are tied to the email address of the primary borrower on a loan)
- Once logged in, navigate to the "Rewards" tab in the lower left
- Read and accept the Terms and Conditions
- Select the loan and redeem points for the fee. Be sure to confirm the FEE number with your Draws Specialist prior to redemption

## Draw Requests:

Please send all construction draw requests to our Construction Draws Department via email at [draws@wcp.team](mailto:draws@wcp.team). You can also contact the Draws Department at 571-749-2600 during regular business hours. In your email request, please include the following information:

- Subject Property Address
- Contact information for the inspector to reach out for scheduling your site visit
- Breakdown of line items to be inspected and their perceived percentage of completion

## Soft-Cost Reimbursements:

Reimbursement requests for soft-cost items, such as permits, plans, architectural/engineering designs, etc., must be accompanied by digital copies or clear photos of the received items as well as their associated invoices. Please provide this documentation at the time of your draw request to avoid delays.

## Contingency Reimbursements:

Reimbursement requests from a contingency line-item of your Budget should include supporting documentation (paid invoices, receipts, etc.) and an explanation of work completed. Please provide this documentation at the time of your draw request to avoid delays.

## Inspections:

We strongly recommend the property owner's presence during the inspection to ensure all requested items are properly presented to the inspector. This also helps avoid additional inspections, report revision fees, or delays to your draw disbursement. Please ensure the following property conditions are met at time of inspection:

- Property address is clearly marked on site
- Required areas are accessible and/or unlocked
- Separate units are identified and/or marked
- Stairs or ladders are provided for inspector to safely access levels or roof of the property

## Title Bringdowns:

Construction Budgets at or exceeding \$500,000 may require a Title Bringdown to be completed. The lender will request this from the title company at the borrower's expense prior to the draw being disbursed.

***\*Please note, only active loans in good standing will be eligible to receive construction draw funds. All monthly interest payments must be made, and the loan must not be past its maturity date. If you have any questions regarding payments or extensions, please reach out to your Loan Officer or our Servicing Department at [servicing@wcp.team](mailto:servicing@wcp.team).\****

By signing this document, you agree to the terms and expectations set forth in these **Construction Draw Guidelines**.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_