

Bangor Savings Bank

Construction Loans: Preparing to Build



PLANNING YOUR DREAM HOME, A RENOVATION, OR AN ADU?

Whether you're imagining something new or improving what you already have, construction projects come with additional considerations. If building is in your future, here are some helpful things to consider and guidance on what to do next.

PREPARING FOR CONSTRUCTION

You may already have a vision for what you'd like to build, but have you considered how you'll finance the project or find the right contractor to bring it all together? These tips can help guide your first steps:

- Understand your financing options by talking with a lender and get pre-approved to understand what programs may be available to you.
- Review the OnTarget Systems video when your Mortgage Loan Officer provides you with the link.
- Know what you can afford by considering all costs, including land, construction, permits, utility connections, landscaping, and potential cost overruns.
- Prioritize what matters most by making a list of must-haves such as size, layout, features, and functionality.
- Work with an approved General Contractor to finalize plans and specifications, establish a budget, and review the overall construction timeline.
- Know what the construction process involves, including inspections, lien waivers, and the timing of construction loan disbursements.

SELECTING A GENERAL CONTRACTOR

A General Contractor is required, so it is important to find the right one for you. Make sure that you understand their process, compare bid details, and check references.

The General Contractor will be responsible for:

- Managing the project
- Overseeing Sub-contractors and suppliers working on the project
- Ensuring construction meets building code requirements
- Providing general liability insurance for the project

CONTACT US FOR MORE INFORMATION AND TO SEE IF YOU QUALIFY!