



Renovation Loan Draw Disclosure

Last updated May 8, 2023

Upon closing the renovation loan, GMFS will hold the renovation funds in an interest bearing account. These funds will be drawn upon based on work completed on the home. Draws need to be requested in writing or by phone from either the borrower or the contractor. GMFS will order an inspection of the home; then upon receipt of the inspection verifying the work has been completed, GMFS will fund the draw in the form of a check made payable to the borrower and the contractor, an ACH direct deposit or wire the funds directly to the contractor with the borrower's consent. There may be fees from your bank associated with the wire transfer option.

Please submit each draw request to constructionhelpdesk@gmfslending.com. To speak to someone by phone concerning the draw please contact 225-490-6698.

Each draw typically takes 3-5 days, unless there are delays by the inspector or title agent.

GMFS can fund a material draws for 50% of the material cost or 20% of the renovation costs, whichever is less to complete the renovation. With the exception of materials, all draws are for completed work as evidenced on the inspection report.

GMFS cannot fund upfront deposits of any kind outside of 50% of materials costs or 20% of the renovation costs, whichever is less.

IMPORTANT FACTS CONCERNING YOUR RENOVATION LOAN:

- Renovations must begin within 30 days of closing and all work must be completed within no greater than 11 months of closing.
- Your renovation is to be completed as specified by the scope of work used to appraise the home.
- Funds will be disbursed to the contractor electronically with written consent from the borrower or by a check made payable to both the borrower and contractor, at the borrower's discretion. **Funds cannot be disbursed directly to the borrower for any reason** (with the exception of "do it yourself" projects, restrictions apply).
- Contingency funds may be released only if required, necessary and unforeseen repairs or deficiencies are discovered during the renovation.

By signing below, you are acknowledging that you understand the draw procedure and accept responsibility of this disclosure.

Borrower's Signature

Date

Contractor's Company Name

Date

Contractor's Signature

Contractor's Printed Name