

# Residential Construction Loans

- ✓ Make your dream home a reality
- ✓ Pay only interest during construction period
- ✓ Low origination and inspection fees

Start your home construction project with a residential construction loan from Alaska USA. It's the perfect solution when you need to finance the building of a home from the ground up or for extensive remodeling.

## Building on the future

When you want to build your own home, where do you begin? A residential construction loan is a short-term financing option that gives you the means to pay for construction as your new home is being built.

It's affordable because you only pay the interest due each month. At the end of the loan term, you'll need to pay off the construction loan. Most people do this with a new mortgage loan on the completed property.

Alaska USA residential construction loans require that you prequalify for a mortgage loan from Alaska USA Mortgage Company for at least the amount of the construction loan, and that you choose a contractor that meets Alaska USA's requirements for approval.

## Details

**Qualification** – The home must be a one-to-four family home to be used as a member's primary dwelling (excluding spec homes and land development).

**Term** – The initial term is up to 12 months. Members may be granted a one-time extension – up to an additional three months.

## Fees/Rates

- Interest rates are variable and may adjust daily.
- Low origination fees.
- Inspection fees – a minimum of \$75.00 will be assessed for each inspection.

**Repaying the loan** – While the loan is outstanding, you'll pay the monthly interest due. All principal is due at maturity, and can be paid with a mortgage loan.

**Financing** – You may borrow up to 80% of your home's value (lesser of total construction cost or appraised value). Cost of construction includes land, cost to construct plus 10% contingency, closing fees, and estimated interest payments and other soft costs.

**Approved contractors** – General contractors must meet Alaska USA's requirements for approval. Your request to add a contractor to the Alaska USA approved list will be considered if your contractor is not currently listed. General contractor qualifications include:

- Licensed and bonded in the state of Alaska with a residential endorsement.
- Business license with the State of Alaska.
- Primary business must be residential construction.
- In business for the past five consecutive years and have built a minimum of five homes.
- Satisfactory credit history and a Certificate of Insurance with appropriate limits.

## Find out more

Contact a residential construction loan specialist at (907) 646-6670 or toll free at (877) 646-6670.

## Get started

To begin the loan process, please complete the Alaska USA Residential Construction Loan Application.

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