CONSTRUCTION FINANCIAL SOLUTIONS

DRAW DISBURSEMENT PROCEDURES

CFS uses our Portal, which makes the draw process faster and easier by allowing you to submit draw requests, upload documents and photos, and track progress all in one place. You will receive email notifications throughout the review process. Our Portal works on your computer and on your phone! It is the same Portal you used before closing. If you need help logging in, our Draw Department will walk you through your first draw.

HOW TO SUBMIT A DRAW: step-by-step instructions are on our Draws page, www.ConstructionFinancial.com/draws

BORROWER APPROVAL: Every draw needs at least one signature. When your request comes in, CFS sends the Borrower a one-page Draw Approval to sign, by email or through our Portal. You do not need to collect it. On a Be Your Own Builder loan, your own signature is enough. The Contractor's budget is not shared with the Borrower unless they signed a Cost-Plus contract.

REIMBURSEMENT

If the Contractor or Homeowner has already paid for labor and materials and needs to be reimbursed, provide:

- **Paid Receipts** showing a $0 balance [invoices stamped or written 'PAID' are not acceptable].
- **Invoices AND Proof of Payment**, including cleared checks, email receipts, or screenshots clearly showing the vendor/subcontractor's name, date and amount paid, **OR** signed lien waivers and the signer's ID for signature verification.
- **Online Purchases** require screenshots of the order history and/or email receipts. All documentation should clearly show the date, vendor name, amount paid, payment method and $0 balance due.
- **Cash Purchases** require the original Invoice, signed lien waiver and the signer's ID for signature verification.

PAY DIRECT

CFS is able to pay Vendors and Subcontractors directly!

On your Draw Request Workbook, name the Vendor as the Payee and upload their invoice, which must include the company or individual's name, mailing address, phone number, description of work and the subject property's address or the homeowner's name.

If drawing funds for Contractor Administrative Fees or Profit, upload a Company Invoice detailing the line item and amount requested.

DELIVERY INSTRUCTIONS

Delivery Instructions must be entered in the payment question in our Portal, and at the top of your Draw Request Workbook, for each draw request. Available delivery options are In Person Pickup (Free), USPS Mail (Free), Wire Transfer ($30), or FedEx ($50). Any applicable fees will be deducted from the corresponding draw. The Builder must indicate which budget line item the fee should be taken from. If you are being reimbursed for expenses, the fee may also be deducted from the reimbursement amount being requested.

- **Wire Instructions** must be uploaded to our Portal. Wires are only sent to the Builder. If paying Subcontractors directly, checks can be picked up, mailed USPS or FedEx.
- **Portal Notifications** come by email: important requests and updates about your draw are sent through our Portal to your email, so please watch for them.

INSPECTIONS

CFS requires 2 inspection reports, coordinated and paid by the Builder.

- Pre-Pour [before foundation concrete is poured]
- Pre-Sheetrock [to include framing and all mechanicals; plumbing top, electrical and HVAC rough]

Properties **INSIDE CITY LIMITS** will require City Inspection Reports. Properties **OUTSIDE CITY LIMITS** will require reports from Licensed Real Estate Inspectors. You can search for a Licensed Real Estate Inspector using this link: https://www.nachi.org/certified-inspectors/browse/us/texas

CONSTRUCTION LOANS FOR CUSTOM HOMES

In most cases, CFS will accept Contractor and Homeowner photos to show completion of work. Photos must be uploaded to our Portal with your draw request, for each budget line you are drawing funds from.

TURNAROUND TIMES

Material Only draws paid direct to the Vendors can be disbursed same-day. Draws including **Labor** may be paid out within 2 business days upon approval of the required backup documentation and City or Inspection Reports [if applicable].

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