

PRIVATE LENDING MADE SIMPLE

314. 449. 9458

CLOSING/DRAW PROCESS

At Closing

- The guarantors sign all closing documents including but not limited to the closing statement, note, and deed of trust on behalf of the borrowing entity
- The funds are dispersed to the title agent who establishes a holding escrow account from which renovation funds will be disbursed

During Renovation

- The title company will disburse funds to the GC/Borrower during the process as renovation is completed

Step 1 – Property Purchased and Closed



Step 2 – GC completes renovations per plans and specs



Step 3 – GC submits draw request to title company



Step 4 – Inspection is completed to ensure that the work was completed and submits inspection report to the title company



Step 5- Title company disperses funds to the GC/Borrower if work was completed per the inspection

This cycle repeats itself during construction. Typically, a six month “fix and flip” loan has 3 disbursements. The title company also collects all lien waivers and insures that title is perfected and free and clear of any mechanics liens prior to close out of construction.