

CONSTRUCTION LOAN: DOCUMENTS REQUIRED EACH DRAW REQUEST

Project Managed by General Contractor [GC]

1.0 AIA G702/G703 Executed and Notarized by General Contractor and Borrower or Other Bank Approved Draw Method

- a. If there are new change orders, obtain fully executed copies.
- b. If the GC is requesting funds for materials that are not on-site, they are considered stored off-site. This is acceptable for long-lead materials such as windows, elevator, flooring.

Please obtain a Bill of Sale, Storage Affidavit and Certificate of Insurance from supplier of materials endorsing the value of the materials stored [should be the same as the requested amount] and location of the materials stored.

- c. If the General Contractor is requesting funds to pay deposits to suppliers and tradesman, a copy of the proposal or contract specifying the payment terms should be obtained with the invoice from the sub/supplier. The sub/suppliers certificate of insurance should also be provided with the borrower listed as Additional Insured.

2.0 Lien Waiver from General Contractor certifying receipt of funds and waiver of claim for previous applications.

3.0 Notarized statement from General Contractor certifying their disbursement of all funds received to date in accordance with the requisition documents. [DCMI does not need this but lender should obtain].

Project Managed by Construction Manager [CM] AND Any Guaranteed Maximum Price [GMP] Projects

1.0 AIA G702/G703 Executed and Notarized by Construction Manager and Borrower or Other Bank Approved Draw Method. *This is the executing document [pay application] which is supported by the invoices that are requested for disbursement.*

NOTE: Construction Manager and GMP projects are open book. The line amounts requested on the executing document must be in agreement with the supporting invoice(s).

- a. If there are new change orders, obtain fully executed copies certifying agreement between owner and CM on increased price.
- d. If the CM is requesting funds for materials that are not on-site, they are considered stored off-site. This is acceptable for long-lead materials such as windows, elevator, flooring.

Please obtain a Bill of Sale, Storage Affidavit and Certificate of Insurance from supplier of materials endorsing the value of the materials stored [should be the same as the requested amount] and location of the materials stored. Borrower should be listed as Additional Insured on the Certificate of Insurance.

- e. If the Construction Manager is requesting funds to pay deposits to suppliers and tradesman, a copy of the proposal or contract specifying the payment terms should be obtained with the invoice from the sub/supplier. The sub/suppliers certificate of insurance should also be provided with the borrower listed as Additional Insured.

4.0 Lien Waivers from each subcontractor and supplier certifying receipt of funds and waiver of claim for previous application of payment. This is considered an UNCONDITIONAL LIEN WAIVER and provides the best protection to the lender. This document confirms the sub/supplier received the funds disbursed in the previous draw. The date on the lien waiver is important and must be same day or after disbursement by lender to CM/Borrower. Funds requested in the current draw should not be disbursed until the previous draw can be fully accounted for as disbursed.

5.0 Notarized statement from Construction Manager certifying their disbursement of all funds received to date in accordance with the requisition documents. [Inspector does not need this but lender should obtain].