

FDIC #: _____

LOC #: _____

DATE: _____



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Construction Lending Questionnaire

For the purposes of this application, the term applicant means the parent company or insured and all subsidiaries or joint insureds.

Applicant Bank: _____

Street: _____ City & State: _____ Zip Code: _____

Please provide the following:

1. Have any concerns been noted regarding the bank's construction lending risk management? Yes No

If yes, please explain:

2. What percentage of your construction loans are generated through a third party and not internally? _____%

3. What percentage of construction loans are made outside your trade area? _____%

4. What percentage of your construction loans are:

Land (A&D) _____ % 1-4 Family _____ % Commercial _____ %

5. What dollar limit have you set to manage lending concentrations with any one builder or developer? \$ _____

6. What are your five largest construction-lending relationships in terms of dollar amount exposure?

\$ _____ \$ _____ \$ _____ \$ _____ \$ _____

7. What percentage of your construction loan portfolio does not have take-out commitments? _____%

8. What percentage of your construction loan portfolio is for speculative buildings/houses? _____%

(Include land acquisition/development, 1-4 family residential and commercial construction loans)

9. Does the bank review the following:

A. Builder's financial statements? Yes No

B. History of the builder's prior construction experience? Yes No

C. Schedule of other projects the contractor currently has under construction? Yes No

If no, please explain:

10. Does the bank's policy require the borrower's personal guarantee on construction loans? Yes No
11. Are inspections conducted on a regular basis during all stages of construction? Yes No
12. Are disbursements:
- A. Advanced on a percentage of completion method? Yes No
 - B. Subject to written preauthorization by the contractor, inspector and authorized officer? Yes No
 - C. Compared with original cost estimates and previous disbursements? Yes No
13. What is the bank's average construction loan to value ratio? _____%
14. What is the bank's policy for the maximum loan to value ratio on a construction loan?
Please explain:
15. Are staff appraisers precluded from lending and collection functions? Yes No
16. If fee appraisers are used, does the bank maintain a list of approved appraisers and investigate the qualifications and reputations of these appraisers prior to replacing them on the approved list? Yes No
17. Prior to conducting the appraisal, is the appraiser informed of the amount of the loan request? Yes No