

CONSTRUCTION LOAN GUIDE

2026

MEMBER PACKET



231-879-4154



638 Boyd St Fife Lake, MI 49633



mortgages@forestarea.com



forestarea.com

THE APPROVAL PROCESS

DO NOT START ANY CONSTRUCTION WORK BEFORE THE NOTICE OF COMMENCEMENT AND MORTGAGE HAVE BEEN RECORDED!

Credit Score: A minimum score of 580 in order to qualify

Debt to Income (DTI) Ratio: A DTI ratio, compares your reoccurring monthly debts to your gross monthly income. The maximum DTI ratio is 43%.

Down Payment: A minimum down payment of 20%, land equity can count towards your down payment.

To apply for a Construction Loan:

Submit a mortgage referral in branch, apply online, over the phone, through our evergreen platform, or with a mortgage officer in the fife lake branch.

You will need:

- Social security number
- Address
- Proof of income will be required.
- Date of Birth
- Employer

Credit will be pulled once all information is gathered and reviewed. Contact will be made if your application has been approved or set certain conditions that may be needed.

Fife Lake - Manton - Cadillac - Lake City - Kalkaska - Kingsley - Mesick

[APPLY ONLINE HERE:](#)



[FAFCU Website](#)



[Video Chat: Evergreen](#)

STEPS TO YOUR NEW HOME

01 Builder Information

The builder you choose must submit a References Form if they are not on our Approved Builder List. We will need the following

- Completed construction contract and matching sworn statement
- Builder's License and proof of liability insurance
- Home blueprints and materials breakdown

02 Initial Disclosures

Upon approve of your Builder, initial disclosures with estimates and intent to proceed will be generated. You will need to review these documents carefully as this will break down the whole contract and will require your signature. Payments during construction phase are **INTEREST ONLY** and the highest possible payment will reflect on the Loan Estimate.

03 Processing

Once signed documents are returned and all required documents are received, the file will be submitted to Processing to order Appraisal and Title Insurance. Although you cannot pick your Appraiser you can select a title company of your choosing if you wish. This process generally takes 10-14 business days.

04 Clear to Close

Upon receipt of the Appraisal and Title Insurance Commitment will be reviewed and confirmed clear, you will be provided a Closing Disclosure to compare you Loan Estimate to and let you know all terms of the loan. You must have this 3 days prior to your closing date.

05 Closing

A closing date will be set with your MLO. This is where you will have the option to take your first draw (amount decided prior to closing). These could be your funds or loan funds depending on the loan and how much the draw request is. Plan on this process taking 45 minutes to an hour.

06 Post Closing

Now your Builder can get to work!

- Once the foundation is set, please contact us and request the survey. This confirms that the foundation is set within your property lines.
- Each Draw requires an updated/accurate sworn statement including waivers/receipts from previous draw. The draw requests are then reviewed by us and then the title company, who will then endorse the funds that are being disbursed.



Post Closing Cont.

- We will then disburse those funds to where your contactor prefers. This process can take up to 3 days.
- Progress appraisals happen after each draw. This is to confirm that the home is being built to the standards set forth by the original prints, application, and sworn statement. This is not a new valuation.
- Homeowners insurance is required once there is something to insure. We suggest talking to your insurance agent prior to starting.

08 Change Orders

Changes are a common occurrence in home construction. If your changes result in a decrease in square footage, change in home type (two story to a ranch, etc.) or a change that results in the value of your home decreasing. We need to be notified immediately as this can be an issue.

If you are making a change order and adding more money to the original sworn statement, these funds must come out of your pocket. We DO NOT allow loan amount increases on a construction.

09 Construction Wrap Up

At completion of the project, we will order the final appraisal and will need the Certificate of Occupancy. This confirms that the home was built to the original plans to match original valuation and that your home is occupiable. The title company will confirm no liens have been placed.

IF you will not be done in 12 months, we will need a written explanation as to what is holding your project up and a \$250 extension fee will apply.

10 Final Mortgage

- Our constructions will wrap into a 30 year 7/1 ARM and 15 year 7/1 ARM for singlewides.

NEW CONSTRUCTION INFORMATION

If other please specify

TYPE OF HOME

Ranch	1.5 Story	2 Story	Split Level	Other
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FOUNDATION

Concrete Block	All Weather Wood	Poured Concrete	Other
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GUTTERS

YES	NO
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EXTERIOR WALLS

Standard Vinyl	Custom Vinyl	Wood Lap	Other
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BASEMENT

Full	Crawl	Slab	Walkout	Partial
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FLOORING

Carpet	Vinyl	Hardwood	Tile	Other
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INTERIOR TRIM

Pine	Oak	Paint	Stain	Other
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BATH WAINSCOT

Fiberglass	Tile	Other
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INTERIOR DOORS

Flush Hollow Core	Colonist Hollow Core	Paneled	Other
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WINDOW TYPE AND MATERIALS

Single Hung	Double Hung	Casement	Other
Vinyl	Wood	Clad	Other

HVAC SYSTEM

Forced Air	In-Floor	Electric	Split Unit	Other
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HOME AMENITIES

Fireplace	Patio	Deck	Covered Porch	Fencing
Surround Sound	Dishwasher	Fan Hood	Wood Stove	Other

INSULATION THICKNESS: WALLS _____ CEILING _____

ANY ITEMS NOT LISTED: _____

EXAMPLE DRAW SCHEDULE

Typically we like to see 5 to 6 draws during the year long construction process. Please note after every draw we require a progress inspection to make sure the house is being built to the original plans. We quote these at \$250.00 a piece. It is important to discuss this with your builder.

First Draw: (Survey is required after foundation is placed. Please contact us after it has been completed.)

1. Land (if applicable)
2. Excavation
3. Foundation

Second Draw:

1. Framing (Walls & Roof)
2. Windows

Third Draw:

1. Exterior Doors
2. Exterior Paint/Prime
3. Rough-in Plumbing
4. Rough-in Electrical
5. Rough-in HVAC
6. Roof Complete
7. Insulation

Fourth Draw:

1. Brick/Siding
2. Drywall
3. Outdoor Walks/Driveway
4. Cabinets & Vanities
5. Counter Tops

Fifth Draw:

1. Trim
2. Painting (Interior & Exterior)
3. Finish Plumbing
4. Finish Electrical
5. Finish HVAC
6. Wallpaper, Mirrors, & Interior Doors
7. Flooring
8. Appliances
9. Landscaping

Sixth Draw: (If Applicable)

1. Occupancy Permit
2. Final Inspection
3. Conversion to Permanent Mortgage

APPROVED BUILDERS LIST

These builders have been approved by us within the last 12 months

Clarks Manufactured Homes
DeShano Builders: Gaylord, MI
Floreno Construction: Kalkaska, MI
Little Valley Homes: Cadillac, MI
Miller, Poineau, & Naumes: Rapid City, MI
Pine Grove Homes: Traverse City, MI
Ron Kirchoffer: Kalkaska, MI
South Park Homes: Reed City, MI
South Paw Construction: Kalkaska, MI
Tim Comai Builder: Kalkaska, MI

SWORN STATEMENT



Last Name: _____ Draw #: _____ of _____ Date: _____

Lender: Forest Area FCU Address: 638 Boyd St Fife Lake, MI 49633 Phone: 231-879-4154 email: servicing@forestarea.com

Contractor: _____ Address: _____ Cell: _____

Owner: _____ Address: _____ Phone: _____

Deponent _____ State of Michigan, County of _____ being duly sworn deposes and says that _____

is the contractor of the improvement to the following described real property situated in the Township / City / Village (Circle One) of _____ County of _____, Michigan, described as: _____

That the following is a complete statement of each contractor, subcontractor, supplier, and laborer, for which laborer the payment of wages or fringe benefits and withholdings is earned by unpaid, and with whom the (contractor) (subcontractor) has (contracted) (subcontracted) for performance under the contract with the owner or lessee thereof, and that the amount due to the persons as of the date hereof are correctly and fully set forth opposite their names.
 That (he) (she) has not employed or procured material form, contracted or subcontracted with, any person or persons, firm, or corporations other than those below-mentioned, and owes no monies for the construction of said buildings or improvements other than the sums set forth hereinafter.
 That (he) (she) makes the foregoing statements as the (owner) (contractor) (subcontractor) or as the (owner) (contractor) (subcontractor) for the purpose of representing to the owner or lessee of the aforementioned premises and his or her agents and the mortgagee and title company that the aforementioned property is free from claims of construction liens, or the possibility of construction liens, except as specifically set forth below.

	NAME, ADDRESS, AND PHONE # OF SUBCONTRACTOR, SUPPLIER, OR LABORER	TYPE OF IMPROVEMENT FURNISHED	TOTAL CONTRACT PRICE	CHANGE ORDERS + / -	ADJUSTED CONTRACT AMOUNT	AMOUNT ALREADY PAID	CURRENT REQUEST	BALANCE TO COMPLETE	WAVIER
NAME	Grand Traverse County	Permits/Fees	\$ 500.00		\$ 500.00		\$ 250.00	\$ 250.00	
ADDRESS	123 Main St Traverse City, MI 49685								
PHONE	231-222-1234								
NAME	Earthmovers Excavating	Excavating/Backfill	\$ 20,000.00		\$ 20,000.00		\$ 15,000.00	\$ 5,000.00	
ADDRESS	456 State St Manton, MI 49663								
PHONE	989-999-9999								
NAME	JC Concrete	Foundation	\$ 70,000.00		\$ 70,000.00		\$ 70,000.00	\$ -	
ADDRESS	789 Michigan Ave Kalkaska, MI 49646								
PHONE	231-111-1111								
NAME	Kings Lumber	Structural Package Materials	\$ 35,000.00		\$ 35,000.00			\$ 35,000.00	
ADDRESS	258 W Main St Lake City, MI 49651								
PHONE	231-222-2222								
SUBTOTALS CONTINUED ON NEXT PAGE			\$ 125,500.00	\$ -	\$ 125,500.00	\$ -	\$ 85,250.00	\$ 40,250.00	

WARNING TO OWNER: An owner or lessee of the above-described property may not rely on this sworn statement to avoid the claim of a subcontractor, supplier, or laborer who has provided a notice of furnishing or a laborer who may provide a notice of furnishing pursuant to section 109 of the construction lien act to the designee or to the owner of the lessee if the designee is not named or has died.

	NAME, ADDRESS, AND PHONE # OF SUBCONTRACTOR, SUPPLIER, OR LABORER	TYPE OF IMPROVEMENT FURNISHED	TOTAL CONTRACT PRICE	CHANGE ORDERS + / -	ADJUSTED CONTRACT AMOUNT	AMOUNT ALREADY PAID	CURRENT REQUEST	BALANCE TO COMPLETE	WAVIER
NAME					\$ -			\$ -	
ADDRESS									
PHONE									
NAME					\$ -			\$ -	
ADDRESS									
PHONE									
NAME					\$ -			\$ -	
ADDRESS									
PHONE									
NAME					\$ -			\$ -	
ADDRESS									
PHONE									
TOTALS			\$ 125,500.00	\$ -	\$ 125,500.00	\$ -	\$ 85,250.00	\$ 40,250.00	

WARNING TO DEPONENT: A person, who with intent to defraud, gives a false sworn statement is subject to criminal penalties as provided in section 110 of the construction lien act, Act No. 497 of the public Acts of 1980, as amended, being section 570.1110 of the Michigan Compiled Laws.

For a valuable consideration, paid to the undersigned, the receipt whereof is hereby confessed and acknowledged, the undersigned hereby waive, release, and relinquish any and all claims or right of lien which the undersigned now have or may have hereafter upon the premises described in the above sworn statement, for labor and material, general supervisions construction, or otherwise.

IF THIS SWORN STATEMENT IS IN REGARD TO A RESIDENTIAL STRUCTURE, ON RECEIPT OF THE SWORN STATEMENT, THE OWNER OR LESSEE, OR THE OWNER'S OR LESSEE'S DESIGNEE, MUST GIVE NOTICE OF ITS RECEIPT, EITHER IN WRITING, BY TELEPHONE OR PERSONALLY, TO EACH SUB CONTRACTOR, SUPPLIER, AND LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING UNDER SECTION 109 OR, IF A NOTICE OF FURNISHING IS EXCUSSED UNDER SECTION 108 OR 108A, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER NAMED IN THE SWORN STATEMENT. IF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO IS ENTITLED TO NOTICE OF RECEIPT OF THE SWORN STATEMENT MAKES A REQUEST, THE OWNER, LESSEE, OR DESIGNEE SHALL PROVIDE THE REQUESTER A COPY OF THE SWORN STATEMENT WITHIN 10 BUSINESS DAYS AFTER RECEIVING THE REQUEST.

Subscribed and sworn to before me this _____ day of _____

by _____

Notary Public - State of _____

County of _____

Acting in _____

My Commission Expires: _____

Deponent(Contractor)

Date