Construction & construction-to-perm — what we need, and what we don't

Bottom line: we don't ask for your borrower's appraisal — you set the loan amount, we insure it — and we rarely need the loan application. On a construction file it comes down to two questions: **does your investor or loan program require mechanic's lien coverage during construction (ALTA 32/33), and has any work started on the lot?** Answer both when you open the order and the file goes on one of two tracks.

THE TWO TRACKS

Standard

Most loans you keep on your books, with no work started before we record. The mechanic's lien exception stays on during the build; at completion we clear it with:

- **Certificate of occupancy**
- **Builder's affidavit,** notarized
- **Owner's affidavit,** notarized
- **Improvement location certificate (ILC)**

Lien coverage — ALTA 32/33

When your investor requires lien coverage during the build, or any work has started before we record. The underwriter looks at the builder, not the borrower, and asks for:

- **Construction loan budget**
- **Proof of payment,** all work to date
- **Lien waivers** from contractors, subs, suppliers
- **Builder and owner financials,** tax returns, indemnities

WHAT WE'LL ASK FOR, SIDE BY SIDE

ITEM	STANDARD	LIEN COVERAGE (ALTA 32/33)
Loan application or appraisal	Not needed	No appraisal; loan application rarely
During construction	Nothing	Budget, lien waivers, proof of payment, financials
Title underwriter approval	Usually not	**Required, file by file**

FOR YOUR FILES — THREE THINGS TO KNOW

→ **ALTA 32/33 is investor-driven.** Loans you keep rarely need it; loans you sell or participate out often do. Only your investor can answer — no title company can.

→ **What ALTA 32/33 buys.** ALTA 32 covers your loan against liens as the build proceeds; ALTA 33 is the date-down we issue per draw — you estimate the count, we bill at closing. Expect a premium and review time.

→ **"Work started" means any work.** Clearing, grading, a well, a driveway, materials on the lot — any of it before we record can put liens ahead of your loan and moves the file to the lien-coverage list. Ask the borrower, then tell us.

Either way, your final policy issues without the mechanic's lien exception at completion. Loop us in early and we handle the rest.