

Mt. McKinley Bank

A State Chartered Mutual Savings Bank Serving Fairbanks Since 1965.
Member F.D.I.C.

CONSTRUCTION LOANS

Mt. McKinley Bank has over 40 years of construction lending experience in the Fairbanks area. We will be happy to discuss your plans and answer any questions you may have regarding financing your construction project. Generally construction loans are for an 18 month period of time and require a 25% down payment or equity in the project before the construction loan is booked.

Most owner builders expect to save money building their own home by not hiring a contractor. However, it has been our experience that a majority of owner builders do not actually save money, but spend more. By hiring a contractor, you take advantage of their buying power, efficiency, and quality of construction, all of which save you cost of materials, loan fees, interest payments on the loan, and time. We urge you to strongly consider hiring a contractor for these reasons.

Helpful Items To Bring To Your Construction Loan Application Interview:

1. A Residential Loan Application completed and signed with the following:
 - A. Most recent two years of W-2 forms and taxes with all schedules
 - B. Most recent paystub showing both gross pay for the last 30 days and year-to-date gross pay.
 - C. Most recent bank and brokerage account statements showing two month's history of transactions.
2. A set of plans, which include the following: drawn to scale, floor plan, elevations and a wall cross-section (footing to roof).
3. Verify Subdivision Covenants and Zoning for easements and setback requirements of lot to determine foundation and utility site placement.
4. Construction Cost Breakdown and Description of Materials, describing all materials and cost of construction. Submit with obtained bids.
5. Soil Test - Suitable evidence of soil conditions may be required.
6. All homes constructed in areas without public water and sewer systems must meet the State of Alaska Department of Environmental Conservation requirements.
7. We strongly recommend your construction project meet minimum energy requirements set by Alaska Housing Finance Corporation (AHFC) so your home will qualify for AHFC financing. See Attached document for AHFC requirements.
8. Deposit of \$1,200.00 to cover the cost of Credit Report, Appraisal, Title Insurance Cancellation Fee, and Plan Review.

We look forward to assisting you in constructing your new home.