

A GUIDE TO THE

# Construction Process

## Planning Your Project

Pillar Financial Services Inc. allows you to finance your construction project with ease.

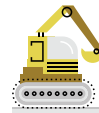
Whether you are looking to finish in **four** months, **six** months, **one year** or **more**, Pillar will work with you to complete your build.



## The Typical Phases of Construction

All draws are based on the percentage completion of your construction. Where are you in the process?

### Mortgage Draw 1



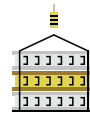
	Project Completion (%)
Excavation, footings, foundation	12
Damp proofing, weeping tile, backfill	14
Framing, sheathing, roofing completed	31

### Mortgage Draw 2



Exterior doors and windows installed	34
Roughed-in electrical	37
Roughed-in plumbing and floor drains	39
Roughed-in heating	41
Insulation and vapour barrier	43

### Mortgage Draw 3



Exterior finish (siding/ stucco, trim)	55
Interior walls and ceiling finish	63
Finish carpentry (trim, cabinets placed)	74
Heating equipment complete	79
Electrical complete	80

### Mortgage Draw 4



Plumbing complete	84
Basement floor placed	87
Painting complete (interior and exterior)	92
Interior doors	94
Finish floors	97
Walks and driveways	98
Grading, site improvement	100

Takeout

Occupancy permit acquired

100%



# What to Expect During Your Construction Process

**All draws are based on percentage complete of your construction.** This is determined by a progress inspection completed by the original appraiser.

**Draws may be requested at any time throughout the process** at a fee of \$150 plus the cost of the inspection by the appraiser.

**All draws are subject to the holdback provisions of the Construction Lien Act.** These funds (10% of the gross draw) will be held in trust by your lawyer. You will not be entitled to the total holdback until 60 days after proof has been given that you hold an occupancy permit and construction is at least 98% complete, as inspected and reported by the original appraiser.

**You must have All-Risk Builders Risk insurance and maintain the coverage for the full term of the construction period,** in the full amount of the estimated completed construction cost. The builders risk coverage must include fire, flood and earthquake, as well as \$2,000,000 liability coverage. Please ensure the policy names "Computershare Trust Company of Canada c/o Frontenac Mortgage Investment Corporation" as loss payee.

**Construction progress typically occurs every 30 to 45 days.** When you are ready for a progress inspection, please contact Pillar and we will arrange for the appraiser to complete the inspection.

**Once the progress inspection report has been received,** reviewed and approved by Pillar, your draw will be calculated and funds will be wired to your lawyer for disbursement.

**If the time frame between the draws goes over 45 days,** the accrued interest must be paid or interest only payments will commence based on the principal outstanding plus all accrued interest. Pillar will contact you to discuss and set up the appropriate arrangements with you should your build experience any delays.

Please note, **Pillar advances all funds when the construction project is 98% complete.**

**You must ensure all municipal building inspections are completed and approval granted by the building department of your municipality.** All approved inspection reports and/or certificates must be available if Pillar requests a copy.

**To avoid delays in your first draw, please submit the following documents to pillar:**

- ✓ Permits
- ✓ Building plans
- ✓ All-Risk – Builders Risk form policy in the full amount of the construction costs
- ✓ Tarion Warranty Corporation insurance certificate if home is for resale

**The following funds will be held back from each draw:**

- 10% holdback as the Construction Lien Act
- Accrued interest on all funds advanced to date
- Applicable fees for each draw (Pillar Admin fee, Progress Inspection fee)

## Contact Us

**Let's talk.**

**1-877-279-2116**

**info@pillarfinancial.ca**

Pillar's team of underwriters are available every business day to review deals within 48 hours upon receipt of a complete application.