

Construction Lending Questionnaire

FDIC No. _____

Bank Name: _____

City: _____ State: _____

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 of exposure?
A \$_____ B \$_____ C \$_____ D \$_____ E \$_____
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B. History of the builder's prior construction experience?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C. Schedule of other projects the contractor currently has under construction?	<input type="checkbox"/> Yes <input type="checkbox"/> No

 Please explain any no responses: _____
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B. Subject to written preauthorization by the contractor, inspector and authorized officer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C. Compared with original cost estimates and previous disbursements?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?

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 placing 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