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## Borrower and Builder Agreement

- The Borrower and the Builder agree that Fidelity’s draw schedule will be used for all inspections and money will be advanced only on completed work. No money will be advanced on stored materials.
- If an advance at closing is required; it should be requested in the contract and the limit is 5% of the cost to build per Fidelity guidelines. The advance will be deducted from the first draw. A maximum of 15% total will be advanced prior to the receipt of the foundation survey.
- The Borrower and Builder should decide who will be responsible for ordering the foundation survey. The survey must be received by Fidelity prior to requesting any draw past the first 15%.
- If the property is in a flood zone, Fidelity must receive a copy of the flood insurance policy prior to advancing any draw over the initial 15%.
- A building permit will be required prior to the first draw.
- Builders’ risk insurance must be received by closing. The borrower and the builder should decide who is responsible for obtaining this policy. This policy must include the borrower’s name and can include the builder. Fidelity Bank Mortgage must be included as the mortgagee.

***Fidelity Bank DBA Fidelity Bank Mortgage, ISAOA, P.O. Box 105075, Atlanta, GA 30348***

- The builder must provide General Liability Insurance. The minimum amount of \$500,000 for each occurrence is required. The policy must also contain Automobile liability insurance with limits of liability equal to at least \$300,000 per occurrence. The builder must also carry workman’s comp on his own employees.
- Advances may be issued in a two party check to the borrower and builder or directly into the builder’s account that has been set up with Fidelity. An authorization form must be signed prior to closing if funds are to go directly to the builder. The borrower must authorize each inspection and each disbursement.
- Inspections should be ordered by Monday at 4:00 p.m. Inspections will be completed on Tuesday and Wednesday. On Thursday, all inspections will be provided to the borrower and builders for review. On Thursday by noon, all inspections must be approved by the borrower for the advance to be issued by Friday. The money will go directly into the builders account on Friday if that is the selected process. If the money is to be issued by a two party check, the check will be ordered on Thursday and can take up to 48 hours to be generated. This check can be picked up or overnighted when ready.
- A Notice of Commencement will be recorded prior to the start of the build. A lien waiver will also be requested prior to each advance. On some projects, copies of receipts may be requested.
- A Certificate of Occupancy and a clear final inspection must be received prior to the final draw.

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Borrower(s) signature and date

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Builder signature and date