

CHENEY FINANCIAL SERVICES, INC.
General Disbursement Policy for Construction Loans

1. The General policy is to disburse funds in accordance with the improvements completed through the various stages of construction and as verified by inspection.
2. Draw request form must be completely filled out and signed by an authorized signer before funds will be disbursed from loan.
3. Proof of Insurance listing lender as mortgagee must be provided before money will be disbursed for materials or labor.
4. A building permit draw is acceptable for payment of said permit; however, no additional draws will be honored until a copy of the permit is received by lender.
5. Invoices (not bids or estimates) referencing the lot and subdivision or address, with a detailed scope of work performed, must accompany all draw requests before money will be disbursed.
6. Payment for materials will only be disbursed when they are furnished and installed.
7. Payment for labor will only be allowed when the particular improvements have been satisfactorily completed. Disbursements for payment of labor performed by the owner or General Contractor are not permitted unless previous arrangements have been made with Cheney Financial Services, Inc. and if in accordance with cost breakdown.
8. Completed W-9 forms are required from each Contractor or Sub-Contractor before payments will be made to them.
9. Reimbursements will not be made unless satisfactory proof of payment such as a copy of a cancelled check or credit card statement accompanies the invoice.
10. Disbursement checks will be sent to the owner or general contractor for disbursement. They will be responsible to verify that the checks have been written out correctly and will disburse checks to sub-contractors and suppliers only when work is complete and supplies are furnished and installed.

Property: _____

Contractor: _____

Borrower authorizes lender to disburse funds with a signature(s) from the following (**circle one**):

- a. Borrower Only
- b. Contractor Only
- c. Borrower **and** Contractor
- d. Borrower **or** Contractor
- e. Other: _____

I have read, understand, and agree to the above disbursement policy:

Borrower:

Borrower: