



Construction to Permanent (CTP) loan program



Build Your Dream Home!

Are you ready to build, renovate, or expand your home? Leader Bank's Construction to Permanent Loan offers fast decision making and quick closings with specialized construction financing—making your project simple, affordable, and efficient.



The Construction to Permanent loan program from Leader Bank offers flexible construction financing for homebuyers and renovators

With a large lending footprint across the region, and an expert team of loan officers, construction financing with Leader Bank offers a range of benefits:

- Up to 80% loan-to-value
- Up to 100% construction financing
- Low fee structure and competitive rates
- High loan limits for larger projects

Additional Builder-to-Buyer Benefits:

- Only one closing—save time and money
- Tap into your home's future equity
- Access more funds than a traditional HELOC
- 12-month construction period (extensions available)

Ready to get started? Contact Leader Bank's CTP Lending Team today to learn how we can help you build with confidence!



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Everything You Need to Know:

Achieve your homeownership goals with Leader Bank's construction loans

Leader Bank's Construction Loans are designed to give homeowners and homebuyers the flexibility they need when building, expanding, or transforming a property. Whether you're constructing a new home on an empty lot, or planning a major renovation, our Construction to Permanent financing streamlines the process from start to finish.

1. What is a Construction to Permanent Mortgage?

A Construction to Permanent (CTP) Mortgage is designed for borrowers building a new home, completing a substantial renovation, or adding onto their primary, single family residence. During the construction phase—typically 12 months—borrowers make interest only payments on funds disbursed for the project. Once construction is complete, the loan automatically converts into a traditional long term mortgage with just one closing required.

2. How Does a Construction to Permanent Loan Work?

Leader Bank's CTP loans begin with a 12 month construction period. After this phase ends and the home is ready for occupancy, the outstanding principal transitions into a standard amortizing mortgage over the remaining loan term. This structure allows borrowers to focus on their project without the burden of full mortgage payments during construction.

3. What Does a Construction to Permanent Loan Cover?

This financing can cover purchasing a new piece of land or refinancing an existing property while also funding a specified construction budget. Leader Bank finances up to 100% of hard construction costs, provided the total loan amount remains within 80% of the completed home's appraised value. Construction budgets, plans, and contractor specifications help us determine the appropriate loan amount.



4. What Are the Benefits of a Construction to Permanent Loan?

Leader Bank's CTP mortgage provides several key advantages:

- One application and one closing for both construction and permanent financing
- Access to future equity, allowing borrowers to finance up to 80% of the home's as completed value
- Streamlined budgeting and disbursements, coordinated through a milestone based draw schedule
- 12-month construction period (extensions available)

Our team collaborates daily to ensure timely reviews, inspections, and fund releases, helping your construction project stay on schedule from beginning to end.

5. How is a Construction to Permanent Loan Different From a Traditional Loan or HELOC?

Unlike traditional mortgages or home equity lines of credit, which base lending limits on your home's current value, a Leader Bank CTP mortgage is designed around the future value of your completed project. By analyzing your architectural plans, specifications, and budget, appraisers determine the projected market value of your home once construction is finished. Leader Bank can lend up to 80% of that projected value, making it an ideal solution for borrowers who need financing beyond their current equity position.

6. How Does the Draw Process Work?

Leader Bank will create a customized disbursement schedule aligned with your builder's itemized budget. Each milestone represents a phase of work and an associated amount of funding. When a milestone is completed, you or your builder simply notify our team.

Inspections are completed quickly by our construction review personnel, and once approved, funds are disbursed directly into your Leader Bank checking account. Our commitment to daily coordination ensures draw requests are processed efficiently so your project keeps moving.

7. How Do I Apply for a Leader Bank Construction to Permanent Loan?

To get started, borrowers should provide:

- Final architectural plans
- Detailed specifications
- A comprehensive cost estimate from a licensed general contractor

A member of Leader Bank's Construction to Permanent Lending team will guide you through the application, review your project details, and help you determine the best financing structure. Our specialists are here to support you from your first inquiry to the final inspection.

If you have additional questions about Leader Bank's Construction to Permanent Loan program, our team is happy to help!

Example Budget

When planning your construction project, make sure to plan out both your soft and hard costs.

Below bullet points displayed in a table with a column on the right hand side for people to fill in their cost amount in \$

Soft Costs

- Engineering / Architectural \$ _____
- Legal \$ _____
- Permits \$ _____
- Property taxes & Insurance \$ _____
- Contingency (10% of the total budget is required)) \$ _____

Hard Costs

- Hazardous material removal \$ _____
- Demo \$ _____
- Tree Removal, Clearing \$ _____
- Blasting \$ _____
- Excavation \$ _____
- Drainage & Utilities \$ _____
- Septic System/Sewer Connection \$ _____
- Other (Specify) \$ _____
- Footings and Foundation \$ _____
- First Floor Deck \$ _____
- Second Floor Deck \$ _____
- Interior Partitions Studded \$ _____
- Roof Framed \$ _____
- Sheathing \$ _____
- Roof Boarding \$ _____
- Roof Shingling \$ _____

Example budget continued on next page.

Example Budget Continued

- Door Frames & Windows \$ _____
- Chimney & Fireplace \$ _____
- Exterior Siding Installed \$ _____
- Exterior Painted \$ _____
- Water Connected \$ _____
- Rough Plumbing \$ _____
- Rough Electrical \$ _____
- Rough Heating (Piping or Duct) \$ _____
- Insulation/Strapping \$ _____
- Blueboard \$ _____
- Skimcoat/Plaster \$ _____
- Finish Heat Operating \$ _____
- Standing Finish (Trim) \$ _____
- Interior Doors \$ _____
- Kitchen Cabinets \$ _____
- Counter Tops \$ _____
- Finish Bath Floors \$ _____
- Hardwood Floors \$ _____
- Carpeting \$ _____
- Appliances \$ _____
- Finish Electrical \$ _____
- AC/HVAC Installed \$ _____
- Finish Plumbing (Fixtures Installed) \$ _____
- Decorating finishing (Paint, Stain, Paper) \$ _____
- Driveways, Walks, Steps \$ _____
- Landscaping \$ _____
- Hardscape \$ _____
- Completion (Occupancy Permit) \$ _____

Construction to Permanent (CTP) Checklist

Before you start your application start gathering the below documents, these will be required to expedite your application.

Loan Checklist:

For pre-approval

- W-2 form(s)
- Federal tax returns including all schedules
- Copies of your deposit account statements
- 3 of most recent checking account statements
- Most recent retirement & investment statements [e.g., IRA, 401(k)]
- Current pay stub(s) showing YTD income information
- If applicable, property owner names and addresses for last 2 years
- Most recent mortgage statement(s)
- Purchase & Sale agreement (if applicable)
- Copies of current driver's license.

Required construction information

- Select a Qualified Licensed Builder/Contractor. You can check their license status here or visit <https://madpl.mylicense.com/Verification/>
- Builders/Contractors must be registered as Home Improvement Contractor (HIC) with the State of Massachusetts. You can check this status here or visit <https://contractorhub.mass.gov/s/hic-contractor-search>
- Plans and specifications with your builder/architect.
- Scope of work (can be a few paragraphs describing the work to be done)
- Detailed cost estimates/budget and estimated timeline.
- Obtain all required permits.
- Establish a Contingency Fund by setting aside extra funds for unforeseen expenses. A 10% contingency is a required line item in the budget.

Documents you need to obtain and submit with the application:

- Plans
- Specifications
- Budget
- General Contractor contact information
- Purchase and Sale Agreement (if applicable)



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Member
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Lender NMLS# 449250. All loans subject to credit approval. Terms and conditions may apply.