

Building with Financial Integrity

It seems that the days of trusting anyone in the home building business is gone. False information on loan applications, construction loan advances from one project used to make payments on another, 100% loan to value loans, stated income loan applications, inflated appraisals, construction advances without inspections, mechanics liens on homes due to vendors and contractors not being paid, homes left unfinished, builders in bankruptcy, banks failing.....the list goes on!

Your home is typically your largest single investment. ANY level of risk to that investment during construction is unacceptable. Queen City Development Group has simple, fresh idea to building with financial integrity. Here is how it works:

1. The homeowner and builder together will apply for the construction loan through one of many banks offering construction to permanent financing. (For example: Queen City Development Group is approved with Citizens South Bank which offers a 3.5% interest only loan during construction which locks in at a 5.5% traditional 30-year loan.)
2. A bank account dedicated to the project will be opened.
3. Both the builder and the homeowner will have signature authority on the account and both parties will have on-line access to banking activity.
4. Funds will NEVER be co-mingled with the builder's operating account or any other project.
5. The first construction draw will go to purchase the land with an additional \$10,000 placed in the account as a reserve.
6. Construction progress payments will be advanced to the checking account after invoices are sent by the builder and approved by both the bank and the homeowner.
7. Lien waivers demonstrating that vendors and contractors have been paid will be submitted with every invoice.
8. The builder will assume 100% of the risk to build within the agreed upon price and will not be paid in full until this is accomplished.
9. The house will be built on time or the builder or \$750 per week will be deducted from the builder's contractor fee as a penalty for the delay.
10. Workers compensation insurance, a \$1,000,000 general liability policy, and a builder's risk fire and theft insurance policy will be in place during the entire construction period.
11. A 2-year workmanship and 10-year structural warranty via the 2-10 Homebuyer Warranty Company will be issued to the homeowners upon completion.
12. EVERYTHING will be in writing.

The homeowner will have a full un-hindered view of all payments for construction of their home: No co-mingling of the homeowner's money. No risk that it will take longer to build than quoted. No risk that the house will not be finished within budget. No risk that the project will not be finished due to financial problems of the builder. Full control over YOUR money and YOUR home during construction. That is **Building with Financial Integrity!**