

# Construction Lending FAQs

**Q. What is a construction loan?**

**A.** A construction loan is a short-term loan to facilitate the building of a home.

**Q. Is there any limitation to the location I can build?**

**A.** Centris Federal Credit Union currently only offers a construction loan if the home is being built in the Omaha market.

**Q. If I am building my home, do I need a construction loan?**

**A.** Check with the builder you are working with to determine if you need a construction loan. Some builders will have you obtain the loan to build the home and others will build under their company name and have you purchase the home upon completion.

**Q. Since this is a short-term loan, how does it get paid off?**

**A.** As part of the construction loan approval process, you will need to be pre-approved for mortgage financing with Centris Federal Credit Union. Our construction and mortgage departments will work closely to coordinate this process.

**Q. Is there a minimum down payment needed to qualify for financing?**

**A.** The maximum construction loan is limited to 80% of purchase price or appraised value, whichever is less. A 20% down payment is required and paid up front.

**Q. What type of payment will I have?**

**A.** You will pay interest only on the construction loan. As progress is made on the home and your builder submits a request to us for disbursement of loan funds, you will only pay interest monthly on the amount of funds used.

**Q. Do I have to contract with a builder or can I build the home myself?**

**A.** Centris Federal Credit Union requires that you have a builder involved.

**Q. If I need to obtain a construction loan, what is my first step?**

**A.** Please contact our construction lender, Deb Benak, and she will walk you through the process of applying for construction financing.



**Deb Benak**  
Vice President,  
Construction Lending

**(402) 697-6628**  
**[dbenak@centrisfcu.org](mailto:dbenak@centrisfcu.org)**  
NMLS #586892

**[centrisfcu.org](http://centrisfcu.org)**

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