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## **Const. financing picture remains bright in R.I.**

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While the media paint dark clouds over Rhode Island's housing and mortgage markets, and with some state officials hanging crepe as well, it may seem surprising that construction lenders who recently spoke with The Rhode Island Builder Report insist that the sun is still shining.

Money is as available as ever for builders with good credit, and even homes built on speculation are being financed in the right markets, we were told by representatives of two lenders, both members of the Rhode Island Builders Association.

"We continue to finance consumer and builder construction loans, and we haven't even changed any of our guidelines. Naturally, we continue to look at every deal and work closely with the builder or the consumer to develop a mutually beneficial loan package," Domestic Bank's vice president for mortgage banking, Gary Garabedian, said.

Under its construction financing program, Domestic Bank continues to finance additions, major home improvements and general remodeling, Garabedian added.

At Washington Trust Co., Cynthia Valenti Smith, vice president and mortgage loan officer, echoed the cautious optimism.

"We still have a number of contractors doing spec homes. Granted, the homes may take a little longer to sell and may be a little riskier. But we have subdivisions going up, we have condos going up, over-55 units going up. These are still very viable," said

Based in Westerly, Washington Trust has 18 branches, and does lending throughout Rhode Island, and in Connecticut and Massachusetts. Valenti Smith's division lends to both builders and buyers.

"These units may not be selling out as quickly as intended, but they are plugging along. People tend to purchase homes more because of a lifestyle change than for any other reason," she said.

"We see builders being more cautious, but we're also seeing some wonderful opportunities for them to purchase land at more reasonable prices. I'm dealing with a number of new landowners who are moving forward with construction, as well as people who have owned land for some time and are ready to build."

Building projects financed through Washington Trust include everything from modular to custom homes, according to Valenti Smith. As for regional markets, things seem a little slower in the Providence area, she said.

"We do see cycles, with one region busy and another slow. Then it switches."

### **Skewed figures**

Slow permitting is another factor that can skew construction statistics, Valenti Smith pointed out.

"As your readers know all too well, it takes time for builders to get through all the permit processes. When the media report that 'building permits are down,' it might just mean that many builders are still working through the permitting process."

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