

GREEN ADVANTAGE ESCROW HOLDBACK AGREEMENT

THIS AGREEMENT, including the provisions below is made this ____ day of _____ 20____, between the Borrower(s): _____ and MLB(Lender) to establish the conditions under which the lender will allow an escrow holdback to be held by the lender after the closing of the property listed below.

The Subject Property is located in the county of _____ State of _____ and is described as _____.

1. Payments Required under the executed mortgage or deed of trust must be made by the borrower(s) on the date specified, and the property must be suitable for occupancy.
2. The lender intends to deliver the loan to FHA; therefore, the Borrower(s) agree to conform to, and to cause improvements to be constructed in conformance with all requirements of the program.
3. The lender will place the entire amount of the holdback plus any reserve amount as required by the lender in a secured interest-bearing account trust or escrow (hereafter called "escrow funds") for the benefit of the borrower. Lender shall release 50% of the contract amount to the contractor after closing to allow for procurement, engineering, permitting, and construction. The remaining escrow funds shall be released by the lender via ACH wire, payable to the contractor only after a satisfactory final inspection report from the appraiser, borrower authorization, an executed **Borrower Letter of Completion** from the owner, and an executed **Conditional Waiver** from the contractor are received by the lender. The completion letters can be found on the lender's website.
4. Cost of Repairs:
 - a. The cost of repair(s) as indicated on the appraisal and/or contractor bid is \$_____.
 - b. The estimated cost of the final inspection(s) from the appraiser or lender's agent after all the work is complete is \$300.
 - c. The total escrowed funds for the property listed above is (sum of 4a and 4b) \$_____.
 - d. Total escrowed funds disbursed at closing (50% of 4a) \$_____.
5. Work must begin within 15 days of the loan closing. Work must be performed with reasonable diligence; therefore, work is never to cease for more than 30 consecutive days.
6. A satisfactory final inspection report from the appraiser, an executed Borrower Letter of Completion from the owner, and an executed Conditional Waiver from the contractor must be received by the lender within 120 days of closing. In cases determined to be extreme weather-related conditions causing delays beyond 120 days, contact MLB for extension approval.
7. If any part of the escrow funds is not used, the remaining balance will be refunded to the borrower/homeowner as a principal reduction.

