

ESCROW HOLDBACK AGREEMENT

THIS AGREEMENT, Including the provisions below is made this ____ day of _____, 20____, between the Borrower(s): _____ and MLB Residential Lending, LLC (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 FNMA, FHLMC, FHA, VA, USDA, 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 the escrowed funds by 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 website.
4. The escrowed funds will contain a contingency reserve as determined by the lender.
5. The cost of repair(s) as indicated on the appraisal and/or contractor bid is \$ _____.
 - a. The reserve contingency required by the lender, not to exceed 50% of the contractor bid \$ _____.
 - b. The estimated cost of the final inspection(s) from the appraiser after all the work is complete is \$275
 - c. The total escrowed funds for the property listed above is (sum of 5a, b, c) \$ _____.
6. 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.
7. 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 60 days of closing. In cases determined to be extreme weather-related conditions causing delays beyond 60 days contact MLB for extension approval ClientServices@MLBmortgage.com
8. If the contingency reserve or any part of the escrow funds are not used the remaining balance will be refunded to the borrower/homeowner or Seller depending on who provided the funds.

9. If the escrow holdback was provided by the seller, the amount to be advanced by the seller, as provided in their contract of sale or other escrow holdback agreement as approved by both parties, must be approved by the lender prior to closing.
10. The borrower/contractor will be required to complete all repairs on the property in accordance with the contractor bid as accepted by the lender or at minimum, the repairs required by the appraiser as listed on the accepted appraisal report.
11. Both owner and contractor will cause all repairs to be made in a workmanlike manner and in accordance with all applicable statutes and regulations. All licenses, permits and privileges required by governmental authorities to rehabilitate the property will be obtained by the borrower(s) or his/her contractor prior to closing.
12. Representative of the lender and or FNMA, FHLMC, FHA, VA or USDA will have the right to enter upon the property to confirm whether the work conforms with the agreement and to determine the amount of escrow funds to be released by the lender.
13. Date of estimate completion _____.
14. The lender can be contacted by email ClientServices@MLBmortgage.com

_____ Signature of Mortgagor	/	_____ Date	_____ Signature of Mortgagor	/	_____ Date
_____ Signature of Mortgagor	/	_____ Date	_____ Signature of Mortgagor	/	_____ Date
_____ Signature of Lender	/	_____ Title	/	_____ Date	

