



Notice Regarding Escrow Holdbacks/Escrow Repairs

An escrow holdback/repair escrow is set up for the purpose of allowing borrowers to close on their loan when there are required repairs that need to be completed after closing.

Please note that an escrow holdback/repair escrow has been set up for your loan as an exception and the following process must be followed to allow for a smooth transaction:

(Borrower to initial ALL steps noted below)

_____ Borrower **MAY NOT** pay Contractor directly for any labor or materials up front.

_____ All funds will be held in escrow by AFR until all work is completed.

_____ The contractor will be paid upon COMPLETION of the construction project.

_____ When work is completed borrower must contact the Renovation Department at renovation@afrwholesale.com or **(800) 624-0501**

Once the work is completed please note the following procedures will take place in order to close your escrow holdback/repair escrow:

- A final inspection to review the repairs is requested
- AFR receives the Borrower's Letter of Completion from borrower & Lien Release from the Contractor
- Once a **passing** inspection & completed affidavits are received, final payment will be paid directly to the Contractor from the escrow account.

By signing below, you are acknowledging that you understand the procedures and requirements for the use of the escrow holdback/repair escrow and fully accept your responsibility as stated above.

Contractor's Company Name


Borrower's Signature

Contractor's Signature

Co-Borrower's Signature

Date

Date

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