



WHOLESALE ESCROW HOLDBACK POLICY

Escrow Holdback/Work Completion Escrow are permitted for weather-related repairs only that do not impact the safety, soundness, and structural integrity of the improvement.

POLICY

- Purchase transactions only (Existing or New Construction).
- Maximum allowable escrow is the lesser of \$15,000 or 10% of the appraised value.
- A minimum of 150% of the cost for completing improvements must be held in escrow (this figure is based off the highest bid).
- File must contain at least two bids from licensed contractors.
- File must contain a W9 for each contractor.
- Cost of the final inspection must be collected on the closing disclosure.
- The escrow funds must be reflected on the closing disclosure.
- Property must be suited for immediate occupancy.
- Property must be a 1-4 Unit, Condo, or PUD, and meet all underlying agency guidelines
 - No manufactured homes allowed.
- Borrowers may not complete the improvements.
- Must be completed within 180 days of the Note.
- Escrow holdback fee \$250 - Paid to VIP to prepare, hold, and administer fees.
- VA loans are not eligible for Escrow Holdbacks.

ALLOWABLE IMPROVEMENTS

- Scrape and paint
- Grade and seed
- Concrete work (driveways, sidewalks, patios)
- Minor roof repairs

NON-ALLOWABLE IMPROVEMENTS

- Pool repairs
- Any item that impacts safety, habitability, or marketability of subject property.
- Foundation repairs
- Septic repairs

FUNDS AND DISBURSEMENTS

- V.I.P. Mortgage, Inc. will hold and administer the holdback funds.
- Final Inspection from the original appraiser upon completion of repairs.
- Final Invoice from the contractor(s) for required repairs.
- W-9 form fully completed.
- Unused holdback funds will be refunded to the party who funded the holdback.