

Product	Allowable Circumstances	How to Calculate	Documentation Required
Fannie	<ul style="list-style-type: none"> Value of incomplete items does NOT exceed 10% of the total value of completed property Must have a valid reason for repairs not being completed such as weather, building material shortage, closing deadline that causes hardship on borrower if not closed, etc. Repairs need to be able to be completed within 90 days non weather related (completed by June 1 for weather related) Repair items must be minor in nature and in no way affect the habitability, safety or soundness of the property The incomplete work cannot inhibit the ability to obtain a Certificate of Occupancy, if applicable 	<ul style="list-style-type: none"> 2 bids required Escrow will be held for minimum 1.5 times the highest bid Minimum repair escrow amount is \$500 	<ul style="list-style-type: none"> Bids from licensed contractors or from builder (on new construction) Repair escrow agreement –executed at closing. Final Inspection once work is completed Towne Holds escrow funds* <p>*In the event the builder on a new construction loan requests that title company hold the funds, Towne may approve allowing this as long as Towne also holds an inspection escrow for \$250 that can be paid by builder or borrower.</p> <p>** Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close**</p> <p>ESCROW DISBURSMENTS: All escrow releases and ordering of final inspections will be handled by our Draw Administration group.</p> <p>Requests should be sent to: Email: construction@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>
Freddie	<ul style="list-style-type: none"> Value of incomplete items does NOT exceed 10% of the total value of completed property Must have a valid reason for repairs not being completed such as weather, building material shortage, closing deadline that causes hardship on borrower if not closed, etc. Repairs need to be able to be completed within 90 days non weather related (completed by June 1 for weather related) 	<ul style="list-style-type: none"> 2 bids required Escrow will be held for minimum 1.5 times the highest bid Minimum repair escrow amount is \$500 	<ul style="list-style-type: none"> Bids from licensed contractors or from builder (on new construction) Repair escrow agreement –executed at closing. Final Inspection once work is completed Towne Holds escrow funds* <p>*In the event the builder on a new construction loan requests that title company hold the funds, Towne may approve allowing this as long as Towne also holds an inspection escrow for \$250 that can be paid by builder or borrower.</p>

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<p>FHA</p>	<ul style="list-style-type: none"> • Only allowed if weather related exterior repairs ; or • HUD home with Purchase Agreement written with Repair escrow • Work must be able to be completed by June 1 	<ul style="list-style-type: none"> • 2 bids required • Escrow will be held for minimum 1.5 times the highest bid • Minimum repair escrow amount is \$500 	<ul style="list-style-type: none"> • Bids from licensed contractors or from builder (on new construction) • Repair escrow agreement –executed at closing. • Final Inspection once work is completed • Towne Holds escrow funds* <p>*In the event the builder on a new construction loan requests that title company hold the funds, Towne may approve allowing this as long as Towne also holds an inspection escrow for \$250 that can be paid by builder or borrower.</p> <p>** Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close**</p> <p>ESCROW DISBURSMENTS: All escrow releases and ordering of final inspections will be handled by our Draw Administration group.</p> <p>Requests should be sent to: Email: construction@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>

Escrow Repair Procedures

RD	<ul style="list-style-type: none"> • Only allowed if weather related exterior repairs ; or • HUD home with Purchase Agreement written with Repair escrow • Work must be able to be completed by June 1 	<ul style="list-style-type: none"> • 2 bids required • Escrow will be held for minimum 1.5 times the highest bid • Minimum repair escrow amount is \$500 	<ul style="list-style-type: none"> • Bids from licensed contractors or from builder (on new construction) • Repair escrow agreement –executed at closing. • Final Inspection once work is completed • Towne Holds escrow funds* <p>*In the event the builder on a new construction loan requests that title company hold the funds, Towne may approve allowing this as long as Towne also holds an inspection escrow for \$250 that can be paid by builder or borrower.</p> <p>** Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close**</p> <p>ESCROW DISBURSMENTS: All escrow releases and ordering of final inspections will be handled by our Draw Administration group.</p> <p>Requests should be sent to: Email: construction@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>
VA	<ul style="list-style-type: none"> • Only allowed if weather related exterior repairs ; or • HUD home with Purchase Agreement written with Repair Escrow Work must be able to be completed by June 1 	<ul style="list-style-type: none"> • 2 bids required • Escrow will be held for minimum 1.5 times the highest bid • Minimum repair escrow amount is \$500 	<ul style="list-style-type: none"> • Bids from licensed contractors or from builder (on new construction) • Repair escrow agreement –executed at closing. • Final Inspection once work is completed • Towne Holds escrow funds* <p>*In the event the builder on a new construction loan requests that title company hold the funds, Towne may approve allowing this as long as Towne also holds an inspection escrow for \$250 that can be paid by builder or borrower.</p> <p>** Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close**</p>

			<p>ESCROW DISBURSMENTS: All escrow releases and ordering of final inspections will be handled by our Draw Administration group.</p> <p>Requests should be sent to: Email: construction@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>
<p>Jumbo & Non-warrantable</p>	<ul style="list-style-type: none"> • Value of incomplete items does NOT exceed 10% of the total value of completed property • Must have a valid reason for repairs not being completed such as weather, building material shortage, closing deadline that causes hardship on borrower if not closed, etc. • Repairs need to be able to be completed within 90 days non weather related (completed by June 1 for weather related) • Repair items must be minor in nature and in no way affect the habitability, safety or soundness of the property • The incomplete work cannot inhibit the ability to obtain a Certificate of occupancy, if applicable 	<ul style="list-style-type: none"> • 2 bids required • Escrow will be held for minimum 1.5 times the highest bid • Minimum repair escrow amount is \$500 	<ul style="list-style-type: none"> • Bids from licensed contractors or from builder (on new construction) • Repair escrow agreement –executed at closing. • Final Inspection once work is completed • Towne Holds escrow funds* <p>*In the event the builder on a new construction loan requests that title company hold the funds, Towne may approve allowing this as long as Towne also holds an inspection escrow for \$250 that can be paid by builder or borrower.</p> <p>** Please note that final grade on new construction is required to be included in repair escrow if not complete at time of close**</p> <p>ESCROW DISBURSMENTS: All escrow releases and ordering of final inspections will be handled by our Draw Administration group.</p> <p>Requests should be sent to: Email: construction@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>