

	When Repair Escrow Allowed	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 (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><u>ESCROW DISBURSMENTS:</u> All escrow releases and ordering of final inspections will be handled by our Draw Administration group. Requests should be sent to: Email: Draws@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>

<p>Freddie</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 (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><u>ESCROW DISBURSMENTS:</u> All escrow releases and ordering of final inspections will be handled by our Draw Administration group. Requests should be sent to: Email: Draws@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</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. • HUD Compliance Completion Inspection once work is completed • Towne holds escrow funds <p>**any deviation from Towne holding escrow funds must be approved by chief underwriter**</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><u>ESCROW DISBURSMENTS:</u> All escrow releases and ordering of final inspections will be handled by our Draw Administration group. Requests should be sent to: Email: Draws@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>
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<p>RD</p>	<ul style="list-style-type: none"> • Only allowed if weather related repair (exterior only) • Work must be able to be completed within 120 days 	<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. • A Final Inspection once work is completed • Towne holds escrow funds <p>**any deviation from Towne holding escrow funds must be approved by chief underwriter**</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><u>ESCROW DISBURSMENTS:</u> All escrow releases and ordering of final inspections will be handled by our Draw Administration group. Requests should be sent to: Email: Draws@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>
<p>VA</p>	<ul style="list-style-type: none"> • Only allowed if weather related repair (exterior only) • Work must be able to be completed within 120 days 	<ul style="list-style-type: none"> • 2 bids required • Minimum escrow at 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. • A Final Inspection once work is completed • Towne holds escrow funds <p>**any deviation from Towne holding escrow funds must be approved by chief underwriter**</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><u>ESCROW DISBURSMENTS:</u> All escrow releases and ordering of final inspections will be handled by our Draw Administration group. Requests should be sent to: Email: Draws@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>
<p>Jumbo & Non-Warrantable</p>	<p>Same as Fannie/Freddie UNLESS otherwise stated per investor</p>	<p>Same as Fannie/Freddie UNLESS otherwise stated per investor</p>	<p>Same as Fannie/Freddie UNLESS otherwise stated per investor; however, escrows must be held by Towne Mortgage **any deviation from Towne holding escrow funds must be approved by chief underwriter**</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><u>ESCROW DISBURSMENTS:</u> All escrow releases and ordering of final inspections will be handled by our Draw Administration group. Requests should be sent to: Email: Draws@townemortgage.com Phone: 248-247-1800 Dept: Repair Escrow Department</p>