

## Pennsylvania Housing Finance Agency

*Homeownership Programs Division*

P.O. Box 8029, Harrisburg, PA 17105-8029

Phone 1-800-822-1174, (717) 780-3871

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### DISBURSEMENTS TO BE MADE FROM ESCROW

PHFA LOAN # \_\_\_\_\_

Property Address \_\_\_\_\_

#### CONTACT INFORMATION:

All contractors, municipalities, SEOs, and inspectors must be listed below. List additional payees on separate page if needed.

Payee Name \_\_\_\_\_

Company \_\_\_\_\_ License # \_\_\_\_\_

Address \_\_\_\_\_

Phone # \_\_\_\_\_ Tax ID # \_\_\_\_\_ Email \_\_\_\_\_

Payee Name \_\_\_\_\_

Company \_\_\_\_\_ License # \_\_\_\_\_

Address \_\_\_\_\_

Phone # \_\_\_\_\_ Tax ID # \_\_\_\_\_ Email \_\_\_\_\_

Payee Name \_\_\_\_\_

Company \_\_\_\_\_ License # \_\_\_\_\_

Address \_\_\_\_\_

Phone # \_\_\_\_\_ Tax ID # \_\_\_\_\_ Email \_\_\_\_\_

W9 must be attached for each payee.  Check box to indicate that W9 is attached.

This Escrow Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ and the Escrow Administrator, who is PHFA.

Whereas, Borrower is financing a loan secured by certain real property which needs improvements; and for the purpose of explaining how Homeowner Septic Loan loan proceeds will be disbursed.

1. The sum of \$\_\_\_\_\_ (“Deposited Funds”) has been deposited into an escrow account and is to be used for septic repair/replacement public sewer connection.

	<b>ITEM</b> (List additional items on separate page.)	<b>COST</b>	<b>AMOUNT ESCROWED</b>
1		\$	\$
2			
3			
4			
5			
6			
	Grand Total		

2. The parties acknowledge that for the period of time the deposited funds are held, no party shall be entitled to any interest on the deposited funds. PHFA shall have no liability to borrower for disputes arising from disbursements of the deposited funds.
3. This Escrow Agreement may not be amended or changed except by an agreement in writing signed by Borrower and the Escrow Administrator.

**4. Borrower’s responsibilities:**

- Borrower agrees to have the said improvements completed on or before the ninety (90) day construction period, and in accordance with the contract(s) previously approved by PHFA. A contractor who holds all required licenses and registration shall complete all such Improvements.
- Borrower agrees to provide access to the property in order to complete the improvements and for the inspections.
- Borrower agrees to be responsible for funding any cost overruns, unforeseen expenses, and work not approved by PHFA. If additional funds are required in order to complete the improvements, borrower agrees to deposit them within ten business days of the request.
- Borrower agrees to provide PHFA with all receipts and documentation for the work that was completed.

- Borrower must provide written authorization for all payments to be made.
- Upon completion of the Improvements, Borrower shall forward to the escrow holder a fully completed and signed HUD Form 56002 (Completion Certificate for Property Improvements). Borrower agrees that PHFA shall be entitled to rely on the report of the inspector as conclusive proof that the improvements have been satisfactorily completed.

**5. Escrow Administrator responsibilities:**

- Disbursements from escrow funds shall only be made with written approval from the Borrower.
- Any remaining escrow funds must be applied to the principal balance of the loan.
- If the Inspector determines that the Improvements have not been satisfactorily completed, the funds will not be disbursed. With written consent from PHFA the Borrower may be granted additional time to have the Improvements properly completed. If the Improvements have not been completed by the completion date or within the permitted additional period, the Escrow Administrator shall have the right to cause the improvements to be made, and to pay for the completion of said improvements out of the deposited funds. The Escrow Administrator also reserves the right to apply the money to the principal loan balance or continue to hold it in escrow if the repairs are not completed.
- The disbursement of funds to any contractor and/or vendor does not imply a warranty of work by the contractor and/or vendor.
- Please sign below to indicate your understanding and acceptance of the terms of this Escrow Agreement.

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Borrower (sign and date)

Borrower (sign and date)