If the Agency is also the permanent take-out lender, the following Program Guidelines must also be met. Both new construction and rehabilitation developments are acceptable.

**Construction Retention**

Ten percent (10%) of each payment request for a construction item shall be retained by the Agency. The percentage retained may be reduced to five percent (5%) after construction has been fifty percent (50%) completed. Upon Substantial Completion, the percentage retained may be reduced to two and one-half percent (2.5%). In the event of multiple Certificates of Substantial Completion being issued for phased projects, reduction to two and one-half percent (2.5%) will be considered only after the final phase of the whole is accepted. The balance due to the contractor shall be payable at final loan closing provided the work is fully completed and contractor has complied with all provisions of the Agreement and Addendum to the Owner's and the Agency's satisfaction, including, but not limited to, submission and approval of the contractor's certificate of actual cost to the Agency and receipt of all certificates of occupancy for all units by Owner and the Agency.

**Construction Monitoring**

The Agency will monitor construction and will attend monthly construction conferences at the site. In addition, Agency Technical Services Representatives may visit the development site to review site activity at any time during construction. The Agency Technical Services Representative and the Agency Finance Officer shall review and monitor all requisitions, payouts, and change orders to ensure compliance with the Agency's requirements.

Please see the below link for more information regarding the Agency's loan programs:

[www.phfa.org/mhp/developers/loans.aspx](http://www.phfa.org/mhp/developers/loans.aspx)