

## 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 # \_\_\_\_\_

Borrower Name \_\_\_\_\_

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

#### CONTACT INFORMATION:

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

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 \_\_\_\_\_

This Escrow Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_ and the Escrow Administrator, which 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/repair.

	<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 within ninety (90) days from the loan closing, and in accordance with the contract(s) previously reviewed 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. PHFA recommends that borrowers insist upon a written explanation of all additional charges. This document is often called a “Change Order”. Borrower must provide written authorization for all payments to be made by PHFA.
- Upon completion of the contracted work, Borrower shall forward to PHFA a fully completed and signed HUD Form 56002 (Completion Certificate for Property Improvements). Borrower agrees

that PHFA shall be entitled to rely on the completed form as conclusive proof that the improvements have been satisfactorily completed.

- Borrower is responsible for any work not reviewed in writing by PHFA. Related costs and/or expenses should be documented by a contract separate from that of the original Pennvest contract and payments should be made by the borrower to the contractor.

**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 work fails to pass any inspections or work has not been completed satisfactorily to the borrower, the funds will not be disbursed by PHFA. 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,
  - pay for the completion of said improvements out of the deposited funds,
  - 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.

\_\_\_\_\_  
Borrower (sign and date)

\_\_\_\_\_  
Borrower (sign and date)