



203(K) FULL INFORMATION FOR CONTRACTORS

Loan Number: _____

Date: _____

Provided By: CARRINGTON MORTGAGE SERVICES, LLC

Primary Borrower: _____

Property Address: _____

The project you are estimating will be financed using a renovation loan. All funds for the project are held by the lender in a renovation escrow account. The work must start within 30 days of the loan closing, not cease for more than a 30 day period, and must be completed within the timeframe defined in the Owner/Contractor Agreement, which cannot exceed 6 months. The funds are released through a draw process, once the completed work has been inspected. Requests to release funds must be signed by the contractor, borrower, lender, and approved by the consultant for a full 203k. No funds other than those in the account are available for the project.

Material and Supplies

Funds are not advanced for the purchase of materials. Funds are otherwise released only for work that has been installed, completed, and inspected.

Permits

Any and all permits must be issued by the local or state building departments before any funds are released from the renovation escrow account for any work. Extensions will be granted for delays with permits or city approvals.

Consultants

A consultant will have provided the borrower with the work write up for the project, including the plans and specifications required to comply with program guidelines. All estimates for work provided by the contractor must be derived using the plans and specifications from the consultant.

Plans and Specifications

The work must be completed in the time frame using similar grade materials as described in the plans and specifications. No funds for any work completed outside the scope of the plans and specifications will be released.



Changes or Additions

The contractor must notify the borrower and consultant if any changes or additions need to be made to the original plans specifications. All changes must be addressed by the consultant and approved by the lender. The contractor may not receive payment if the work is not approved and the funds are not available.

Holdbacks

Please be aware that for every draw there is a 10% holdback. The holdback on each draw will be released with the final draw when the entire project is completed.

Requests for Draws from the Escrow Account

Distribution of funds takes place approximately 7-10 business days from the time the properly executed (1) Draw Request (2) Compliance Inspection Report and Title Update if necessary. The check will be made out to the contractor.

Documents Required from the Contractor

1. Owner/Contractor Agreement
 - a. Signed and dated by the borrower(s) and contractor.
 - b. Fully completed with the total repair cost and time frame for completion.
2. W-9
 - a. Executed and completed including the contractor's tax identification number.
3. Evidence of Insurance
 - a. License and bond
4. Contractor Profile
5. Evidence of Assets
 - a. To cover the material costs of repairs (invoices for materials can be used in lieu of evidence of assets).

Contractor

Date