

Gateway Mortgage Group

Escrow Holdbacks – Wholesale

Escrow holdbacks for weather-related, non-weather-related, and swimming pool with minor related improvements will be considered subject to specific product, agency, and investor guidelines.

It is unacceptable to escrow for items that affect the livability or marketability of a property.

Examples of unacceptable items include, but are not limited to:

- Environment Hazards
- Roof Replacement
- Structural Damage
- Termite infestation with repairs > 1% of value
- Well/septic
- Any improvement that changes the footprint or square footage of the property

On new construction, incomplete items may not affect the ability to obtain an occupancy permit.

All work must be completed by the date specified, evidenced by a clear final inspection.

Borrower may be reimbursed for fully documented paid items, supported by paid receipts and cancelled checks. Borrower may not receive excess funds back. All excess funds should be applied to principal.

Exceptions to these guidelines must be approved by the Credit Committee prior to final loan approval.

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Conventional	Non-Weather and Weather Related
<i>Time allowed</i>	Maximum 30 days.
<i>Amount</i>	120% of total documented cost, minimum \$500. New construction maximum 10% of "as completed" value.
<i>Documentation</i>	Fully executed contract and / or bids from licensed builder / contractors. Escrow Holdback Agreement Final inspection.
FHA	Non-Weather and Weather Related
<i>Time allowed</i>	Maximum 30 days.
<i>Amount</i>	150% of total documented cost, minimum \$500.
<i>Documentation</i>	Fully executed contract and / or bids from licensed builder / contractors. HUD Mortgage Assurance of Completion required establishing escrow holdback and its purpose. FHA Appraisal must show cost of completing the postponed items and "as completed" value. HUD Compliance Inspection Report.
VA	Weather Related only.
<i>Time allowed</i>	Maximum 30 days.
<i>Amount</i>	150% of total documented cost, minimum \$500.
<i>Documentation</i>	Fully executed contract and / or bids from licensed builder / contractors. Escrow Holdback Agreement VA Appraisal must show cost of completing the postponed items and "as completed" value. VA Compliance Inspection Report.