



Escrow Repair Holdback Agreement

Date: _____ File Number: _____ Borrower Last Name: _____

This agreement for escrow repair holdback is between _____ (borrowers) and Flanagan State Bank. The purpose of this agreement is to allow repairs to be made to the property after the closing. Allowable repairs are to be completed within 30 days of closing or less. All repairs must be completed by a contractor. Bids for the work to be completed must be included with this agreement. This agreement applies to Conventional USDA FHA or VA loan. (VA & Conventional Loans must have management approval to proceed and rate must be valid through the completion of the repairs).

The following terms will apply and are specific to this agreement.

- A. The amount of \$ _____ is to be held in escrow with Flanagan State Bank. IF this is a seller funded holdback, the funds can be held by the Title Company. Please check here if funds will be held by Title Company . This is inclusive of the bid and 150% of the bid to cover any unexpected overages during the completion of the repairs. Any amounts that exceed \$5000 will require management approval.
- B. The repairs to be completed are: _____

Please be specific. The repairs may only include what is needed per the appraisal.

- C. The estimated closing date on this loan is: _____. The repairs are to be completed and disbursed within 30 days of the actual closing date. FSB will hold all repair funds until a final inspection has been sent to fundings@flanaganstatebank.com. FSB will require the final inspection and final invoice to disburse the funds. Please allow 24 – 48 hours for review of the information to disburse.
- D. **Weather related repairs** will be allowed. All weather-related repairs must be completed at the first available opportunity. Any weather-related repairs will require 2 bids and FSB will use the higher of the two bids for the Escrow Holdback calculations. The repairs must be completed within 30 days from the first break in the weather to allow the work to be done. The LO and Borrower must be in communication with FSB to keep them advised on the status of the repairs as soon as the weather shows signs of allowing the repairs to be completed.
- E. The borrower agrees to notify the Loan Officer upon completion of the repairs. Please allow time for the disbursing of the funds. The Loan Officer will then order the final inspection and deliver to FSB along with the final invoices.
- F. The funds can be provided by the Borrower or Seller. Please advise who this will come from:
 - Borrower funded repair
 - Seller funded repair. 100% of invoice to be held by title company or FSB. If additional funds are required after completion of repairs, these must be satisfied by seller or buyer.

If Seller funded, please provide Title Company info for funds to be held:

Title Company: _____



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Address: _____

Phone: _____ Contact: _____

USDA Loans Only – Financed into loan up to appraised value only. May not include the additional 50% FSB requires. The additional 50% will be the borrower’s responsibility to bring to the table.

FHA, Conventional and VA loans cannot be included in the loan balance for repairs. All funds must be brought to the table for the escrow repair on purchase loans. The exception to this is for a refinance loan. *If this is a refinance loan, please check here .*

All excess funds above the amount required for the payment of the repairs and less any Escrow Extension Fees will be refunded to the party that provided the funds. In the event that the funds were part of the purchase price or the loan amount (USDA), the funds will be applied to the principal balance of the loan. In the event that the invoices exceed the amount of funds held for the repairs, the excess amount required to complete the work will be the responsibility of the borrowers.

All parties must be in agreement to these terms. By signing this document, all included parties are agreeing to the terms noted above and agree to comply with fulfilling the agreement in a timely manner.

Borrower Date

Co-Borrower Date

Seller 1 Date

Seller 2 Date