



**Contractor's Acknowledgement  
Standard 203K Program**

Contractor: \_\_\_\_\_

Borrower(s): \_\_\_\_\_

Subject property address: \_\_\_\_\_

As contractor for the above captioned transaction, I acknowledge that I/we have the capacity to perform all work as specified, and understand the terms under which I will be expected to perform. These terms are outlined below:

- Upon closing borrower's loan, all rehabilitation funds will be available for initial disbursement within approximately 7-10 days. Contractor and borrower should schedule the start of work accordingly.
- Any alterations to the Spec of Repairs must be approved by the FHA 203(k) consultant and DE underwriter prior to any changes being completed.
- Once the FHA consultant has inspected and approved each completed phase of work, monies will be released within 5-7 business days.
- During course of rehabilitation, each draw request will have a 10% hold back, which will be released after an acceptable final inspection has been received as outlined below.
- Upon receipt of the final inspection and borrower's signed mortgagor's letter of completion, lender shall verify through updated title search, that no mechanic's or material liens have been recorded on subject property. Upon receipt of clear title review, lender will forward the final release of funds along with all previous holdbacks as described above. Should a lien be reflected on title, no further funds may be released until a resolution has been reached between all parties, as outlined in Homeowner/Contractor Agreement.
- Any disputes between parties should be discussed with the HUD consultant assigned to the case and/or Mid-Island renovation management. If a resolution is not agreed upon, please contact your draw coordinator prior to further work commencing.
- As per FHA 203k guidelines, all specified work must begin no later than 30 days after closing and should be completed within six months. If needed, 30 day extensions may be granted by lender upon receipt of written request signed by contractor and borrower(s). The request should outline the reason for the extension and the anticipated final completion date.
- Continued delays and/or poor workmanship may result in the contractor being removed from the project and replaced with another contractor and may result in a forfeiture of any funds not previously disbursed.

This acknowledgement will be incorporated and made part of the transaction captioned above. I certify that I have read and understand the requirements that I must meet throughout the rehabilitation period and agree to cooperate in full with Mid-Island Mortgage Corp.

\_\_\_\_\_  
*Contractor's signature*

\_\_\_\_\_  
*date*