



Dear Contractor,

Congratulations on being selected as the contractor for this renovation project financed by Plaza Home Mortgage, Inc.

(Plaza) utilizing FHA's Standard 203(k) home improvement loan program. Plaza is dedicated to helping our customers and contractors work through the construction process in a timely and efficient manner.

A few commonly asked questions:

- ✓ **How do I get paid?** Contractors will only be paid for completed work and after completion of a draw request (max of 5 draws). Plaza will not make a disbursement for an amount that exceeds the percentage of work complete.
  - Once a portion of work is completed and ready for payment, an inspection will be ordered by Plaza to be performed by a HUD Consultant. The HUD Consultant will inspect the property and work completed to verify all work has been completed in a workmanlike manner and in accordance with the submitted plans and specifications. The HUD Consultant will provide photos of the completed work monitor the progress and prepare the Draw Request/Inspection report Section 203(k) form (HUD-9746-A). The contractor will also be required to sign a lien waiver. This draw package will be submitted to Plaza. Once a complete draw package is received and processed, within 5 business days, a two-party draw check will be sent to the borrowers.

**Please note:**

- Each draw will have a 10% holdback. Once all work is complete these funds will be released with the final payment.
- No money may be disbursed up front for deposits.
- All project(s) permits must be submitted at time of first draw.
- Final draw will include a 203(k) Completion Certificate, signed by the borrowers, contractor and consultant, final payments will be paid and the repair escrow will be closed out.

**Who is the HUD Consultant and what is their role?** A HUD Consultant is an inspector and contractor fully vetted by HUD. The HUD Consultant will prepare a Work Write Up (WWU), identifying the work to be performed and the specifications for completion of the repair. This cost estimate refers to a breakdown of the costs for each proposed work items and a work item refers to a specific repair or improvement that will be performed. The HUD Consultant will also be providing the draw inspections and preparing the draw request. Draw Request/Inspection report Section 203(k) (form HUD-9746).

**Please note:**

- The contractor must agree to complete the work described in the WWU for the amount of the Cost Estimate, or less and within the allotted time frame. Any discrepancies between the scope of work/bid and WWU must be clearly documented and revised.
- ✓ **What items are needed in the scope of work/bid?** A bid provided on Contractor letterhead is required. Plaza requires: the contractor name and contact information; address and licenses number; the borrower's name and contact information; and property address (where the work will be performed) to be provided. Each portion of the work must be broken out by the location(s) of the repair (e.g. kitchen, hall bath, left side of the house), the quality and quantity of materials, as well as a labor and materials cost. Permits (type and description of permits) must also be included.
- ✓ **Is there a maximum renovation amount?** Yes, the repairs and mortgage are capped at the FHA HUD County Loan Limits.



- ✓ **When do I start the work and how will I know when I can start?** The renovation work must start within 30 days after the loan closes. The borrower will contact you once the loan has closed. Please do not begin work prior to notification from the borrowers and until after the loan has closed.
- ✓ **When must the work be completed?** All work must be finalized and completed within six months of the closing date.
- ✓ **May the budget be changed after the loan is closed?** No. The budget may not be substantially changed once the loan is closed. The lender has relied on the budget to determine the loan amount and value of the home. If the budget is increased, the contractor cannot be assured that money is available to pay for the increase and if it is decreased the lender cannot be assured that the collateral value will be maintained.

**Can we make changes during the construction?** Any and all changes to the project must be approved by Plaza servicing prior to changes taking place. Request for Acceptance of Changes in Approved Drawings and Specifications form HUD- 92577 must be submitted and approved by Plaza prior to changes taking place.

**How do I become approved for the project?**

**Approval items to be provided by the contractor:**

- Scope of work/bid
- License
- Bond
- Insurance (minimum requirement of \$1 million provided on a certificate of liability)
- W-9 current year (attached)
- Profile Report with 3 references within the last year, similar jobs in nature, scope and size (attached)
- Signed Home Owner Contractor agreement (attached)

**Please note:**

- Plaza follows local state issuing authority.
- Plaza verifies the provided information with issuing authority.
- Should the contractor's license or insurance expire during the renovation process Plaza will require a renewal certificate prior to funding any additional draws.

Please also refer to the 203(k) Homeowner Contractor agreement as this will provide detailed information as to the responsibilities of the contractor. Plaza is committed to providing the tools and information you need to efficiently complete this 203(k) funded renovation project.

Thank you,

**Plaza Home Mortgage, Inc.**  
**6420 Sequence Drive, Suite 200**  
**San Diego, CA 92121**  
**Phone: 888-807-2620 option 1**  
**Fax: 858-332-1861**  
**Email: [renoservicing@plazahomemortgage.com](mailto:renoservicing@plazahomemortgage.com)**

Property Address: _____		Net Labor	Net Material	# of Unit	Unit Net Price	Total
<b>1</b>	<b>Masonry</b>					
*	Provide and install new stem wall type foundation, with 5 piers for mid span gable. 72 lin ft. 6 cubic yards of concrete.	\$2,845	\$2,011			\$4,856
*	Provide and install new patio, 80 sq ft, with on step. Patio will finish within 1" of out swing door threshold as per code. Approximately 7 cubic yards of concrete, with 3/8" reinforcing mat at 24" oc, on approved fill. Finish will be medium steel trowel finish.	\$2,561	\$2,166			\$4,727
*	Saw cut two access holes and head out joist area, for the following: one for mechanical, one for code access.	\$285	\$464			\$749
*	Provide landing at french door and door at bathroom, minimum width of door and 30" deep with one step.	\$1,138	\$1,083			\$2,221
<b>2</b>	<b>Siding</b>					
*	Provide and install new 3 coat stucco, match existing finish as close as possible. 720 sq ft.	\$5,121	\$2,290			\$7,411
<b>3</b>	<b>Gutters</b>					
*	Provide and install new gutters at new addition, match existing as close as possible, lace into existing. Provide 3 downspouts with concrete splash blocks. 83 Lin ft.	\$560	\$610			\$1,188
<b>4</b>	<b>Roof</b>					
*	Provide and install new engineered truss system, hip style roof to match existing roof pitch 4:12 with California overlay at existing roof. Provide and install new radiant barrier OSB sheathing, with cxx at eaves.	\$5,121	\$5,415			\$10,536
*	Provide and install new composition roofing to match existing. Roof will be laced into existing roof at California. 600 sq ft of roofing.	\$2,561	\$1,238			\$3,799
*	Provide and install new composition roofing to existing home, with gutters.	\$2,561	\$4,661			\$7,202
<b>8</b>	<b>Painting</b>					
*	Sand and Prep all Exterior Wood, metal and unfinished materials from addition and new work areas. Blend into and match existing as close as possible.	\$1,343	\$928			\$2,270
<b>10</b>	<b>Casework</b>					
*	Doors and Windows	\$142	\$54			\$196
*	At all Sinks, Toilets, Tubs and Showers	\$142	\$43			\$185
<b>12</b>	<b>Grading</b>					
*	Provide and install new grade for foundation, to include: excavation of new footings 12 x 12 below level of crawl area, excavate crawl area to allow 18" of crawl space at least as per code. Haul off spoils in dirt only dumpster.	\$2,845	\$1,470			\$4,315

Property Address: _____		Net Labor	Net Material	# of Unit	Unit Net Price	Total
<b>13</b>	<b>Windows</b>					
*	Provide and install new window as per plans, white Vinyl Milgard windows. To include: 6x4 xo at master, 4x4 xo at master and 2x2 obscure single hung at bathroom.	\$427	\$830	1	\$1257	\$1,257
<b>15</b>	<b>Exterior Doors</b>					
*	Provide and install new doors at new addition, to include: 2 3' out swing door, one 6' out swing french door.	\$569	\$7,271	1	\$3,100	\$7,840
*	Door Trim, match existing as close as possible.	\$142	\$93			\$235
*	Door Hardware	\$142	\$233	1	\$100	\$375
<b>16</b>	<b>Interior Doors</b>					
*	Provide and install new swing doors at new addition, to include: 2 swing doors and one pair swing. Match existing as close as possible. Bid assumes hollow core slab style paint grade doors.	\$285	\$547	1	\$140	\$832
*	Provide and install door trim to all new doors to match existing as close as possible.	\$213	\$139			\$352
*	Door Hardware to new doors, match existing as close as possible.	\$142	\$192	1	\$154	\$334
<b>17</b>	<b>Partition Wall</b>					
*	Provide and install new 8' 2x4 framing with 3/8" OSB sheathing at new addition. As per plans.	\$3,414	\$2,011			\$5,425
*	Demolition of existing wall, stucco and interior walls/closet. Prep for new frame.	\$1,707	\$928			\$2,635
<b>18</b>	<b>Plaster / Drywall</b>					
*	Provide and install new drywall at new addition, 5/8" on ceilings and 1/2" on walls, tape and spray finish, to match existing as close as possible.	\$3,414	\$1,160			\$4,574
<b>19</b>	<b>Decorating</b>					
*	Provide and install new paint to new work, one color walls, one color ceiling and one color wood work. Use quality latex paint.	\$1,310	\$1,083			\$2,393
<b>20</b>	<b>Wood Trim</b>					
*	Provide and install new stool and apron at windows, and base trim to match existing as close as possible.	\$711	\$232			\$943
<b>22</b>	<b>Closets</b>					
*	Install New Closet Shelf at bedroom 2 and Master closet. One shelf and pole at each.	\$213	\$193			\$406
<b>23</b>	<b>Wood Floors</b>					
*	Provide and install new floor system, to include: one center gilder with posts, 2x6 joists with 3/4" OSB subfloor.	\$1,423	\$1,856			\$3,279

21. Finished Floors						
+	Provide and install carpet for Master bedroom and Office, approx 400 sq ft. Run carpet into new hallway and terminate at hallway end. Client choice based on allowance.	\$854	\$624	1	01	\$1,478
22. Ceramic Tile						
	Provide and install new tile floors to new master bathroom, and half bath. Approx 140 sq ft. Allowance includes tile, grout and tax. Dal-Tile Britton Bone 12x12.	\$854	\$881	100	01	\$1,735
	Provide and install new tile shower, at tub, and neo angle shower. Tub will have one course of tile for splash. Neo angle shower will be floor to ceiling. Allowance includes tile, grout and tax. Dal-Tile Britton Bone 6x6. Shower pan to be Slim Line Neo Angle, or equivalent.	\$2,276	\$1,701	100	04	\$3,977
23. Bath Accessories						
	Provide and install new shower enclosure at Neo Angle shower. Aston Neo Angle semi frameless, or equivalent.	\$285	\$1,187	1	0100	\$1,472
+	Towel Bars and Paper Holders	\$142	\$105	1	077	\$247
+	Provide and install 2 new mirrors at vanity	\$427	\$292	1	034	\$719
24. Plumbing						
	Provide and install new, on demand hot water heater, (exterior application). Provide new hot water connection to existing and supply new hot water to addition. Allowance is for water heater, and necessary parts, plus tax. Bid includes new 1/4" gas line, new position will be located within 20 of meter. TBD	\$1,685	\$2,559	1	0101	\$4,244
	Provide and install new rough plumbing for new addition, to include: 2 water closets, 1 single vanity, 1 double vanity, 2 hose bibs. Tie into existing sewer line.	\$2,808	\$1,392			\$4,200
	Provide and install new finish plumbing to new addition, to include: One soaking tub Delta Classic, 2 toilets, Kohler Highline, 3 under mount sinks Kohler Caxton, 3 vanity faucets Kohler Williamson and on shower trim kit with valve Kohler Devonshire.		\$2,380	1	0100	\$2,380
25. Electrical						
	Provide and install new service/panel, Amps TBD.	\$1,123	\$3,094			\$4,217
	Provide and install new rough electrical for addition and necessary wiring for existing to make transition. To include: outlets and switching per code i.e.: motion sense etc and layout for room sizes (outlets). Lighting to include: 4 LED cans Mstr Bedroom, 3 light fan combo (one Bedroom, one Office), 2 exhaust fans as per title 24, 2 vanity lights, 2 LED cans in Hallway, two exterior lights and GFCI outlets at exterior doors and single centered light in closets. LED cans are included in rough estimate.	\$3,369	\$3,981	1	0100	\$7,350
	Provide and install new finish electrical for new addition, to include: 2 ceiling fans Home decorations 52", 3 vanity lights Hampton Bay brushed nickel 2 light, 3 closet light fixtures Hampton Bay 2 light flush and 2 exhaust fans Title 24 approved Panasonic 110 CFM. Or equivalent.	\$842	\$1,048	1	0100	\$1,890
26. Heating and Air						
+	HVAC System, but assumes that new areas can be supplied by existing system, allowance for new ducting.	\$71	\$2,975	1	0101	\$3,046
27. Insulation						
+	Attic Area	\$142	\$665			\$807
+	Walls and Floors	\$569	\$1,083			\$1,652
28. Miscellaneous						
+	Lead Based (LID) Paint Testing, 1 sqd area	\$142	\$232			\$374
+	Portable Toilets, Sinks and Eye Wash Stations	\$71	\$619			\$690
+	Permit set plans with eng.	\$500	\$2,380	1	0100	\$2,880
+	Permit Fees	\$285	\$8,513	1	0001	\$8,798
+	Project owner provided	\$356	\$1,247			\$1,603
						\$140,344
						Total Cost of Repairs - \$140,344

Accepted and Agreed by Contractor and Borrower

Contractor Signature \_\_\_\_\_ Date \_\_\_\_\_

Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_



# FHA 203(k) Contractor Profile and Reference Form

Revised 3/26/2019

**Contractors: Please complete the information below and submit with the following documentation:**

- State/Local Licenses and bond
- Current Liability Insurance
- Final Executed Bid/Cost Estimate
- Executed current W-9

**All licenses, bond and insurance must be valid through the completion of project.**

**Renovation Project Information:**

Loan Number: \_\_\_\_\_ Date: \_\_\_\_\_

Borrower/Co-Borrower Name: \_\_\_\_\_

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

**Contractor Information:**

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Business Information:**

Principal Owner: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Work Phone Number: \_\_\_\_\_ Cell Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

Type of Organization:

Corporation  Partnership  LLC  Joint Venture  Individual      Years in business: \_\_\_\_\_

Other Co. Names? \_\_\_\_\_

List jurisdictions legally licensed/qualified to conduct business: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_ License Number: \_\_\_\_\_

**Bank References:**

Bank: \_\_\_\_\_ Phone: \_\_\_\_\_  
Name: \_\_\_\_\_ Acct \_\_\_\_\_

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**Insurance Information:**

Liability Insurance Carrier:

Policy #: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

**Note:** Contractors must provide a current declarations page w/minimum \$1mm per incident.

**Additional Information:**

Are there any judgments, claims, arbitration proceedings or suits pending or outstanding against you or your organization or its officers?

If yes, describe in an attached document and provide 3<sup>rd</sup> party documentation.  Yes  No

Have you or your organization filed any lawsuits or requested arbitration with regard to construction contracts within the past five (5) years?

If yes, describe in an attached document and provide 3<sup>rd</sup> party documentation.  Yes  No

**Client References:**

Provide three (3) client references for completed services similar to the nature, size and scope of the services to be provided for the renovation project.

**Note:** Projects included in the reference must have been completed within the last twelve (12) months.

Name \_\_\_\_\_ Phone Number \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Beginning Date of Project: \_\_\_\_\_ Ending Date of Project: \_\_\_\_\_

**Description of Nature, Size, Scope and Dollar amount of service:**

Project completed in a timely and satisfactorily?  Yes  No

If No, please explain:

Name \_\_\_\_\_ Phone Number \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Beginning Date of Project: \_\_\_\_\_ Ending Date of Project: \_\_\_\_\_

**Description of Nature, Size, Scope and Dollar amount of service:**

Project completed in a timely and satisfactorily?  Yes  No

If no, please explain:

Name \_\_\_\_\_ Phone Number \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Beginning Date of Project: \_\_\_\_\_ Ending Date of Project: \_\_\_\_\_

**Description of Nature, Size, Scope and Dollar amount of service:**

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Project completed in a timely and satisfactorily?  Yes  No

If no, please explain:

**Contractor represents and warrants that all information in the Contractor's Profile is complete and accurate. Contractor authorizes the borrower and/or lender, to contact the references listed above to verify the information represented in this Contractor Profile.**

Signature:

\_\_\_\_\_

Typed/Written Name:

\_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

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*To be completed by Loan Processor/Originator*

*I duly certify all references have been, contacted, verified and deemed acceptable.*

Name (Print): \_\_\_\_\_

Name (Signature): \_\_\_\_\_

Title: \_\_\_\_\_ Phone #: \_\_\_\_\_

Date: \_\_\_\_\_

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# Contractor's Specifications of Repairs/Bid

Revised 9/17/2019

Contractor Name: \_\_\_\_\_ License #: \_\_\_\_\_

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

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

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

Bid Date: \_\_\_\_\_ Project Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

**Type of Renovation Loan:**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> FHA Standard 203(k)                  | <input type="checkbox"/> FHA Limited 203(k)                           | <input type="checkbox"/> VA Renovation                             |
| <input type="checkbox"/> FNMA HomeStyle                       | <input type="checkbox"/> FNMA HomeStyle Limited                       | <input type="checkbox"/> FNMA HomeStyle Pool                       |
| <input type="checkbox"/> FHLMC CHOICERenovation <sup>SM</sup> | <input type="checkbox"/> FHLMC CHOICERenovation <sup>SM</sup> Limited | <input type="checkbox"/> FHLMC CHOICERenovation <sup>SM</sup> Pool |

Limited 203(k) Only:	Contractor: Initial to verify repairs are <b>non-structural</b> .	Initials:
VA Renovation:	Contractor: Initial here to acknowledge that <b>structural repairs are minor</b> , do not require engineer or architect and must be completed within 4 months.	Initials:

The undersigned contractor agrees to furnish the following materials, improvements, labor, and/or services:

Location of Work	Detailed Description of Each Repair Including Quality and Quantity of Materials	Material Cost	Labor Cost	Total	Permit Required
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>



Location of Work	Detailed Description of Each Repair Including Quality and Quantity of Materials	Material Cost	Labor Cost	Total	Permit Required
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
<b>Grand Total from Additional Page(s)</b>		\$	\$	\$ 0.00	
<b>Grand Total</b>		\$ 0.00	\$ 0.00	\$ 0.00	

**Total Amount of Materials and Labor \$** \_\_\_\_\_ **# of Additional Pages Attached** \_\_\_\_\_

**Total Cost of Permits \$** \_\_\_\_\_ **Permits must be broken out in specific detail.**

If Permits are not required please detail "No Permits Required."

The bid sets out the specific work I have agreed to perform, including the nature and type of repairs and states the agreed-upon cost of the renovation work.

The work will be completed in compliance with the contract and all applicable government regulations (i.e. building codes and zoning restrictions). All necessary building permits including a certificate of occupancy if required.

**Please note: All permits must be provided at the time of first draw.**

By signing below I attest this bid is a true and accurate description of all services, permits and materials to be provided for the job located at the above address.

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

**Note:** Any changes to submitted bid must be signed & dated by both the contractor and borrower, white out and e-signatures are not allowed.

Location of Work	Detailed Description of Each Repair Including Quality and Quantity of Materials	Material Cost	Labor Cost	Total	Permit Required
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
		\$	\$	\$ 0.00	<input type="checkbox"/>
<b>Grand Total</b>		\$ 0.00	\$ 0.00	\$ 0.00	

**Renovation Loan Addendum**

A draw schedule is required for the programs below. The draw schedule must include the work to be complete, the established schedule, and the amount of draw. In addition, all subcontractors and suppliers must be identified.

<b>Maximum Allowable Number of Draws</b>	
HomeStyle Renovation	5
CHOICERenovation	5
VA Renovation	3

**Identified Subcontractors and Suppliers:**

Contractor/Supplier Name \_\_\_\_\_

Contractor/Supplier Name \_\_\_\_\_

Contractor/Supplier Name \_\_\_\_\_

Contractor/Supplier Name \_\_\_\_\_

Contractor/Supplier Name \_\_\_\_\_

Contractor/Supplier Name \_\_\_\_\_

**Draw Schedule:**

<b>Draw #</b>	<b>Work to be Completed</b>	<b>Anticipated Draw Date</b>	<b>Amount of Draw</b>
			\$
			\$
			\$
			\$
			\$

**VA Renovation Only: VA Contractor License #** \_\_\_\_\_

Refer to the VA website for requirements.



# FHA 203(k) Homeowner/Contractor Agreement

Revised 2/22/2019

Owner Name(s): \_\_\_\_\_

FHA Case No.: \_\_\_\_\_

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

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

**THIS AGREEMENT**, made this date, \_\_\_\_\_, between the above mentioned Homeowner (Owner) and Contractor, is for the rehabilitation of the property listed above that has been approved for FHA mortgage insurance under Section 203(k) of the National Housing Act. The Owner shall pay the Contractor the sum of \_\_\_\_\_ for completion of the work, including all sales tax due by law, together with such increases or decreases in the contract price as may be approved in writing by the Lender. The work will begin within 30 days of loan closing with the Lender and will be completed by \_\_\_\_\_. The General Provisions listed below are made a part of this Agreement. The contract documents consist of the architectural exhibits listed in the Rehabilitation Loan Agreement between the Owner(s) and the Lender.

_____	_____	_____	_____
Owner Signature	Date	Contractor Signature	Date
_____	_____		
Owner Signature	Date		

**1. Contract Documents:** This Agreement includes all general provisions, special provisions and architectural exhibits that were accepted by the Lender. Work not covered by this Agreement will not be required unless it is required by reasonable inference as being necessary to produce the intended result. By executing this Agreement, the Contractor represents that he/she has visited the site and understands local conditions, including state and local building regulations and conditions under which the work is to be performed.

**2. Owner:** Unless otherwise provided for in the Agreement, the Owner will secure and pay for necessary easements, exceptions from zoning requirements, or other actions which must precede the approval of a permit for this project. If Owner fails to do so then the contract is void. If the Contractor fails to correct defective work or persistently fails to carry out the work in accordance with the Agreement or general provisions, the Owner may order the Contractor in writing to stop such work, or a part of the work, until the cause for the order has been eliminated.

**3. Contractor:** The Contractor will supervise and direct the work and the work of all subcontractors. He/she will use the best skill and attention and will be solely responsible for all construction methods and materials and for coordinating all portions of the work. Unless otherwise specified in the Agreement, the Contractor will provide for and/or pay for all labor, materials, equipment, tools, machinery, transportation, and other goods, facilities, and services necessary for the proper execution and completion of the work. The Contractor will maintain order and discipline among employees and will not assign anyone unfit for the task. The Contractor warrants to the Owner that all materials and equipment incorporated are new and that all work will be of good quality and free of defects or faults. The Contractor will pay all sales, use and other taxes related to the work and will secure and pay for building permits and/or other permits, fees, inspections and licenses necessary for the completion of the work unless otherwise specified in the Agreement. The Contractor will indemnify and hold harmless the

Owner from and against all claims, damages, losses, expenses, legal fees or other costs arising or resulting from the Contractor's performance of the work or provisions of this section. The Contractor will comply with all rules, regulations, laws, ordinances and orders of any public authority or HUD inspector bearing on the performance of the work. The Contractor is responsible for, and indemnifies the Owner against, acts and omissions of employees, subcontractors and their employees, or others performing the work under this Agreement with the Contractor. The Contractor will provide shop drawings, samples, product data or other information provided for in this Agreement, where necessary.

**4. Subcontractor:** Selected by the Contractor, except that the Contractor will not employ any subcontractor to whom the Owner may have a reasonable objection, nor will the Contractor be required by the Owner to employ any subcontractor to whom the Contractor has a reasonable objection.

**5. Work by Owner or Other Contractor:** The Owner reserves the right to perform work related to the project, but which is not a part of this Agreement, and to award separate contracts in connection with other portions of the project not detailed in this Agreement. All contractors and subcontractors will be afforded reasonable opportunity for the storage of materials and equipment by the Owner and by each other. Any costs arising by defective or ill-timed work will be borne by the responsible party.

**6. Binding Arbitration:** Claims or disputes relating to the Agreement or General Provisions will be resolved by the Construction Industry Arbitration Rules of the American Arbitration Association (AAA) unless both parties mutually agree to other methods. The notice of the demand for arbitration must be filed in writing with the other party to this Agreement and with the AAA and must be made in a reasonable time after the dispute has arisen. The award rendered by the arbitrator(s) will be considered final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

**7. Cleanup and Trash Removal:** The Contractor will keep the Owner's residence free from waste or rubbish resulting from the work. All waste, rubbish, tools, construction materials, and machinery will be removed promptly after completion of the work by the Contractor.

**8. Time:** With respect to the scheduled completion of the work, time is of the essence. If the Contractor is delayed at anytime in the progress of the work by change orders, fire, labor disputes, acts of God or other causes beyond the Contractor's control, the completion schedule for the work or affected parts of the work may be extended by the same amount of time caused by the delay. The Contractor must begin work no later than 30 days after loan closing and will not cease work for more than 30 consecutive days.

**9. Payments and Completion:** Payments may be withheld because of: (1) defective work not remedied; (2) failure of Contractor to make proper payments to subcontractors, workers, or suppliers; (3) persistent failure to carry out work in accordance with this Agreement or these general conditions, or (4) legal claims. Final payment will be due after complete release of any and all liens arising out of the contract or submission of receipts or other evidence of payment covering all subcontractors or suppliers who could file such a lien. The Contractor agrees to indemnify the Owner against such liens and will refund all monies including costs and reasonable attorney's fees paid by the Owner in discharging the liens. A 10 percent holdback is required by the Lender to assure the work has been properly completed and there are no liens on the property.

**10. Protection of Property and Persons:** The Contractor is responsible for initiating, maintaining, and supervising all necessary or required safety programs. The Contractor must comply with all applicable laws, regulations, ordinances, orders or laws of federal, state, county or local governments. The Contractor will indemnify the Owner for all property loss or damage to the Owner caused by his/her employees or his/her direct or sub-tier subcontractors.

**11. Insurance:** The Contractor will purchase and maintain such insurance necessary to protect from claims under workers' compensation and from any damage to the Owner(s) property resulting from the conduct of this contract.

**12. Changes in the Contract:** The Owner may order changes, additions or modifications (using form HUD-92577) without invalidating the contract. Such changes must be in writing and signed by the Owner and accepted by the Lender. Not all change order requests may be accepted by the Lender; therefore, the Contractor proceeds at his/her own risk if work is completed without an accepted change order.

**13. Correction of Deficiencies:** The Contractor must correct promptly any work of his/her own or his/her subcontractors found to be defective or not complying with the terms of the contract.

**14. Warranty:** The Contractor will provide a one (1)-year warranty on all labor and materials used in the rehabilitation of the property. This warranty must extend 1 year from the date of completion of the contract or longer if prescribed by law unless otherwise specified by other terms of this contract. Disputes will be resolved through the Construction Industry Arbitration Rules of the American Arbitration Association.

**15. Termination:** If the Owner fails to make a payment under the terms of this Agreement, through no fault of the Contractor, the Contractor may, upon ten (10) working days written notice to the Owner, and if not satisfied, terminate this Agreement. The Owner will be responsible for paying the Contractor for all work completed. If the Contractor fails or neglects to carry out the terms of the contract, the Owner, after 10 working days written notice to the Contractor, may terminate this Agreement.





By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

### Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

### Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/Businesses](http://www.irs.gov/Businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.**

You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.**

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

\*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.**

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.





# FHA Standard 203(k) Lien Waiver and Release

Revised 3/26/2019

The undersigned ("Affiant"), being first duly sworn, deposes and says:  
Affiant is a contractor, sub-contractor, material man or an officer, agent or representative of same, who or which has furnished services, labor or materials ("Contractor") in the construction, repair, and/or replacement (the "Work") of improvements upon real property owned by:

Owner's/Borrower's Name: \_\_\_\_\_ Reference No: \_\_\_\_\_

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

Contractor Has Furnished: \_\_\_\_\_

\_\_\_\_\_

(Describe nature of Labor/Materials on the above project)

Total Completed:	\$ _____
Holdback:	\$ _____
Total Earned Less Retention (Subtotal):	\$ _____
Net Draw Amount (Amount of Check):	\$ _____

A holdback identified above will be retained from the lien release amount until issuance of the Final Release Notice of all construction categories, and the final title policy.

The total of all changes for, and in connection with, all such services, labor and/or materials performed or furnished by Contractor will be paid in full to Contractor upon receipt of completed lien waiver and any other required documentation. Affiant, as Contractor or as an officer, agent, or representative of Contractor, hereby acknowledges complete satisfaction of and forever waives and releases all claims of every kind against Owner or the property referred to above or any other property of Owner, including, but not limited to all liens and claims of liens, that Contractor may have as a result of or in connection with the performance or furnishing of such services, labor and/or materials upon receipt of payment.

Affiant, as Contractor or as an officer, agent or representative of Contractor, further represent and warrants that (a) Contractor has not assigned and will not assign any claim for payment or any right to perfect a lien against said property; (b) all persons or entities who furnished services, labor or materials to Contractor in connection with the Work have been paid all amounts to which they have or may become entitled therefore; and (c) Contractor's portion of the Work is fully completed in accordance with the final plans and specifications therefore.

Affiant, as Contractor or as an officer, agent or representative of Contractor, hereby agrees unconditionally to indemnify Owner and hold Owner harmless from and against all liability, loss, cost, or expense (including, but not limited to, attorneys' fees) now or hereafter incurred, paid, or suffered by or asserted against Owner or any of Owner's property because of any claim or action by Contractor or any sub-contractor with respect to the claims, liens, and rights herein waived and released or arising out of any breach or untruth of any warranty or representation herein made.

Affiant represents that Affiant is duly authorized to execute this document on behalf of Contractor.

All of the provisions of this document shall bind Affiant, Contractor, and their heirs, legal representatives, successors, and assigns, and shall inure to the benefit of Owner and Owner's heirs, legal representatives, successors, assigns and sureties.

Date: \_\_\_\_\_

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

(Print Name of Company)

\_\_\_\_\_  
(Title of Signer)

\_\_\_\_\_  
(Signature)

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# Draw Request Section 203(k)

## U.S. Department of Housing and Urban Development Office of Housing

OMB Approval No. 2502-0527 (exp. 07/31/2017)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information collection involves an expanded information requirement for lenders that originate and service Section 203(k) mortgages. The purpose of the information is to help mitigate program abuses. The expanded information focuses on the loan origination process and requires increased documentation and strengthened internal control procedures. Periodic reporting of the information is not required. The information also includes information that was voluntarily accepted by the 203(k) lending community. The information provides a more comprehensive basis for evaluating lender underwriting practices and thereby improves risk management of the 203(k) loan portfolio. Responses are required to obtain benefits under Section 203(k) of the National Housing Act (12 U.S.C. 1703). No assurance of confidentiality is provided.

Borrower's Name & Property Address	Lender's Name & Address	FHA Case Number	
		This Draw Number	Date

I certify that I have carefully inspected this property for compliance with the general acceptability requirements (including health and safety) in Handbook 4905.1. I have reviewed the attached architectural exhibits and the estimated rehabilitation costs listed in column 1, below; they are acceptable for the rehabilitation of this property. I have no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage. To the best of my knowledge, I have reported all items requiring correction and that the rehabilitation proposal now meets all HUD requirements for 203(k) Rehabilitation Mortgage Insurance.

HUD-Accepted Consultant / Plan Reviewer's Signature & Date	Suggested Contingency Reserve Amount
X	%

Construction Item	Total Escrow Col. 1	Total Cost of Rehabilitation		Request for This Draw		Inspector/Lender Adjusted Amounts		
		Previous Draw Totals Col. 2	%	Col. 3	%	Col. 4	%	
1. Masonry								1.
2. Siding								2.
3. Gutters/Downspouts								3.
4. Roof								4.
5. Shutters								5.
6. Exteriors								6.
7. Walks								7.
8. Driveways								8.
9. Painting (Ext.)								9.
10. Caulking								10.
11. Fencing								11.
12. Grading								12.
13. Windows								13.
14. Weatherstrip								14.
15. Doors (Ext.)								15.
16. Doors (Int.)								16.
17. Partition Wall								17.
18. Plaster/Drywall								18.
19. Decorating								19.
20. Wood Trim								20.
21. Stairs								21.
22. Closets								22.
23. Wood Floors								23.
24. Finished Floors								24.
25. Ceramic Tile								25.
26. Bath Accesories								26.
27. Plumbing								27.
28. Electrical								28.
29. Heating								29.
30. Insulation								30.
31. Cabinetry								31.
32. Appliances								32.
33. Basements								33.
34. Cleanup								34.
35. Miscellaneous								35.
<b>36. Totals</b>								<b>36.</b>

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

This draw request is submitted for payment. All completed work has been done in a workmanlike manner. I hereby certify to the actual costs of rehabilitation as shown above in column 3. I understand that I cannot obtain additional monies from the rehabilitation escrow account without the approval of the lender. I also understand that a 10% holdback will not be released until all work is complete and it is determined that no mechanic's and materialmen's liens have been placed on the property. After the final inspection, the monies in the escrow account will be distributed as required by the 203(k) program procedures.

**Borrower's Signature**  Owner-Occupant  Investor/Builder  Date

This draw request is submitted for payment. All completed work has been done in a workmanlike manner. I understand that a 10% holdback will not be released until all work is completed and it is determined that no mechanic's and materialmen's liens have been placed on the property.

**General Contractor's Signature** (if any)  Date

I certify that I have carefully inspected this property on this date. The draw amounts are acceptable except as modified in column 4. I further certify that I have not accepted any work that is not yet completed in a workmanlike manner and I recommend that the rehabilitation escrow funds be released for the completed work.

**Inspector's Signature**  I.D. Number Date

<b>Approved for Release</b>	This Draw	Totals to Date	The Lender is hereby authorized to release the following funds from the escrow account	
Total from Above	\$	\$	Payable to the Borrower \$	Payable to the Fee Inspector \$
Less 10% Holdback	\$	\$	Payable to _____ \$	
Net Amount Due Borrower	\$	\$	Signature & Date <input type="checkbox"/> Lender-Authorized Agent <input checked="" type="checkbox"/> DE Underwriter <input checked="" type="checkbox"/>	

Lender Holding Rehabilitation Escrow Account (name, address, & phone number)

Originating Lender still Retains Funds

Rehab Funds Transferred to:

## Rehabilitation Inspection Report

FHA Case Number

### I. Inspection of On-Site Repairs and/or Improvements Reveals

1.  Unable to make inspection. (explain below)
2.  Correction essential as explained below:
  - a.  Will examine at next inspection.
  - b.  Do not conceal until reinspected.
3.  No noncompliance observed.
4.  Acceptable variations as described below.
5.  On-site improvements acceptably completed.

### II. Explanation of statements checked above

- Draw Inspection  Contingency Reserve Inspection  Final Inspection  Change Order  Other (explain)

Inspection Number

No.	No.

**Certification:** I certify that I have carefully inspected this property on this date. I have no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage. To the best of my knowledge I have reported all noncompliance, work requiring correction, and unacceptable work. I also certify that this Draw Request is for completed work and I have not accepted any work that is not properly installed in a workmanlike manner.

Signature & Date

- Consultant / Inspector  
 Fee Inspector  
 DE Staff Inspector

Inspection Fee

ID Number

X

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**Instructions:** Prior To Appraisal

1. The Consultant or Plan Reviewer meets with the borrower (and contractor, if there is one) at the site to determine if cost estimates are acceptable. The cost of labor and materials (including overhead and profit, where necessary) must be shown. Borrowers doing their own work must include labor and material, in case they are unable to complete the work due to some unforeseen circumstance, and they must later subcontract out the work. Upon completion of the review, and if the cost estimates are acceptable, the Consultant or Plan Reviewer must sign the certification and return all exhibits to the lender.

2. Lender sends exhibits and a copy of the Draw Request form to the appraiser. The appraisal cannot be performed unless the Consultant or Plan Reviewer has signed the certification on the Draw Request form. Appraisers are instructed not to add additional work items to the list of construction items without the Consultant or Plan Reviewer assuring that the cost estimate for additional items are acceptable and included on the Draw Request form.

**Instructions:** During Construction:

1. If any construction work items were completed prior to closing the loan, an inspection of the work can occur one day after closing.

2. Borrower/contractor completes column 2 "Previous Draw Totals" with percent of completion on any of the construction items. On the first draw inspection, this column will be left blank. On subsequent draws, show the accepted amounts shown in columns 3 and 4 (from the previous draw).

3. Borrower/contractor completes column 3 "Request for This Draw" with the **actual cost of rehabilitation**, which includes materials, labor, overhead and profit. Materials cannot be paid for until they have been acceptably installed. For the investor/builder using the Escrow Commitment Procedure, the cost savings will be added to the escrow amount that is held by the lender for release when an acceptable owner-occupant assumes the loan.

The inspector will complete column 4 for each line item that is necessary to be adjusted. If no adjustments are required, column 4 will remain blank. In no case can the inspector approve a release of funds in excess of the amount requested by the borrower in column 3.

The DE Underwriter or the lender's authorized agent may reduce the amount of funds accepted (or revised) by the inspector by completing (or correcting) the amount shown in column 4. Where a correction has been made by the inspector or the lender, the revised total amount will be shown in line 36, column 4. When the DE Underwriter or the lender's authorized agent is satisfied with the Draw Request, the bottom of the form approving the release of funds will be completed.

**After the final draw inspection**, cost savings can be adjusted to pay for cost overruns in other construction items or additional improvements to the property that are approved by the Direct Endorsement (DE) Lender. An additional administration cost can be allowed under certain circumstances. Any remaining cost savings must be applied to the mortgage principal and will create greater equity in the property.

**Example 1:** If column 1 for Drywall is estimated for completion at \$1,500, and the work is 50% complete, but a signed contract is for \$1,200, then the Request for This Draw in column 3 cannot exceed \$600.

**Example 2:** If column 1 for Drywall is estimated for completion at \$1,500, and the work is 50% complete, but a signed contract is for \$1,800, then the Request for This Draw in column 3 cannot exceed \$750. At the end of rehabilitation, cost overruns can be adjusted for, provided there were savings in other construction items that were approved prior to closing.

4. The borrower and contractor must sign the certification on the Draw Request form. If a dispute exists, the lender must try to mediate the dispute to assure there are no mechanics or materialmens liens placed on the property. The lender may make checks out in both the borrower and contractors name to ensure proper distribution of escrowed funds and to assure no mechanics or materialmens liens. The borrower or contractor may initiate legal proceedings if an equitable agreement cannot be reached.

5. Under no circumstances can any construction item be paid for without the work being acceptably installed (e.g., materials on site cannot be included in the draw request). Upon completion, the inspector signs the Draw Request form, and the Rehabilitation Inspection Report and returns this form to the DE Lender, if applicable. The cost of the inspection should also be completed.

6. The DE who controls the Rehabilitation Escrow Account must provide an accounting of the escrow account to the borrower and HUD, showing the status of all monies in the escrow account. After the acceptable receipt of all necessary documentation, the escrow release (less 10% holdback) should occur within 48 hours. The accounting system must comply with Handbook 4240.4.