



REHABILITATION LOAN PROGRAM

FHA 203(k) Limited/RD Contractor's Acknowledgement

Business Name: _____

Owner/Project Manager: _____

Telephone Number: _____

Subject Property Address: _____

I, _____, wishing to act as a Contractor for the renovation project located at the above address, acknowledge, and understand the terms under which I will be expected to perform. The terms are outlined below:

- All work described on the Contractor Estimate must be completed in its entirety and in a workmanlike manner.
- The contractor has no familial or financial ties to the borrower, ensuring there is no identity of interest between the two parties
- Any changes to the scope of work must be approved by the Lender prior to being performed.
- If Contractor needs funds for materials purchased before construction begins, supported by a contractor statement, Contractor may obtain up to 35% of upfront payment, including permit costs.
- The final 65% will be released after satisfactory completion of all work, a final appraisal inspection confirming the property meets HUD requirements, and receipt of the contractor's final invoice.
- Any disputes that occur between the Borrower and the Contractor need to be reported immediately to your lender.
- Continued delays and/or poor workmanship could result in the Contractor being removed from the project and replaced with another contractor and may result in forfeiture of any funds not disbursed including holdback.
- The contractor agrees not to perform extra work outside of the original scope without written approval of the Lender. Changes to the scope of work may require approval from the Appraiser.
- Work must begin promptly, within 30 days from closing, cannot cease for more than 30 consecutive days and must be completed within 270 days from closing
- All disbursements will be made by two party checks to the Contractor and Homeowner.

I certify that I have read and understand the requirements as outlined above and agree to cooperate in full.

Contractor Signature

Date