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(2) Initial Draw at Closing

The Mortgagee must document the amount and purpose of an initial draw at closing on the form [HUD-92900-LT](#), *FHA Loan Underwriting and Transmittal Sur*

(a) Standard 203(k)

For **Standard 203(k)** transactions, Mortgagees may disburse the following at closing:

- permit fees (the permit must be obtained before work commences);
- prepaid architectural or engineering fees;
- prepaid Consultant fees;
- origination fees;
- discount points;
- materials costs for items, prepaid by the Borrower in cash or by the **contractor**, where a contract is established with the supplier and an order is placed with the manufacturer for delivery at a later date; and
- up to 50 percent of materials costs for items, not yet paid for by the Borrower or **contractor**, where a contract is established with the supplier and an order is placed with the manufacturer for delivery at a later date.