



Standard FHA 203(k) Draw/ Payment Request Cover Page

To: *Sample Lender*
Test Disbursement
123 Main Street
Anytown USA 12345

From: *Catherine Queeny P9999*
Date: *10-08-2021*

Attn: Renovation Loan Processor,

Please process the following request for payment for the below referenced borrower:

Borrower(s) Names: *David Smith and Robert Jones* **Lender Loan #/**

FHA Case #

Property Address: *455 Smith Street Unit J,*
Philadelphia, Pennsylvania 19143

INTERIM DRAW (HUD form 9746A) front & back DRAW # 1

- 3 Permits (Required with 1st Draw)
- Draw Request Form – signed by all parties (borrower/s, contractor, consultant) and including photos
- Contractor’s Lien Waiver(s)
- Invoice for the inspection fee

CHANGE ORDER (Request For Acceptance of Changes in Approved Drawings & Specs HUD form 92577)

- PRE-APPROVAL- REQUESTING PRIOR TO REQUESTING PAYMENT**
Include description of reason for the change, cost, signed by borrower(s) & contractor (**not yet signed by consultant**)
- POST-APPROVAL Change Order**-Documenting the work has been completed, signed by all parties
- ALL applicable Permits specifically required for the change order work
- Inspection report of the change order items documented on **back side of HUD form 9746A**), including photos
- Contractor’s invoice for the change order items (signed by the borrower)
- Contractor’s Lien Waiver(s)
- Invoice for the change order processing fee

FINAL DRAW (HUD form 9746A) front & back

- Draw Request - include photos , Signed by the borrower(s),contractor & inspector & checked “**Final Inspection**”
- Final Municipality Inspections to close these permits
- Certificate/s of Satisfactory Completion (on letterhead of contractor or sub-contractor as per Permits/Certifications Form
- Mortgagor’s Letter of Completion- Signed by ALL borrowers
- Contractor’s Lien Waiver(s)
- Invoice for the inspection fee

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 David Smith and Robert Jones 455 Smith Street Unit J, Philadelphia, Pennsylvania 19143	Lender's Name & Address Sample Lender 123 Main Street Anytown USA 12345	FHA Case Number	
		This Draw Number 1	Date 10-08-2021

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 X <i>Catherine Hill</i> Catherine Queeny 10-08-2021	Suggested Contingency Reserve Amount 927.01 17 %
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Construction Item	Total Escrow Col. 1	Total Cost of Rehabilitation				Inspector/Lender Adjusted Amounts	
		Previous Draw Col. 2	Totals %	Request for This Draw Col. 3	%	Col. 4	%
1. Masonry	1590.00	0.00	0	500.00	31		1.
2. Siding	795.00	0.00	0	200.00	25		2.
3. Gutters/Downspouts	0.00	0.00	0	0.00	0		3.
4. Roof	0.00	0.00	0	0.00	0		4.
5. Shutters	0.00	0.00	0	0.00	0		5.
6. Exteriors	0.00	0.00	0	0.00	0		6.
7. Walks	0.00	0.00	0	0.00	0		7.
8. Driveways	0.00	0.00	0	0.00	0		8.
9. Painting (Ext.)	0.00	0.00	0	0.00	0		9.
10. Caulking	0.00	0.00	0	0.00	0		10.
11. Fencing	0.00	0.00	0	0.00	0		11.
12. Grading	0.00	0.00	0	0.00	0		12.
13. Windows	0.00	0.00	0	0.00	0		13.
14. Weatherstrip	0.00	0.00	0	0.00	0		14.
15. Doors (Ext.)	0.00	0.00	0	0.00	0		15.
16. Doors (Int.)	0.00	0.00	0	0.00	0		16.
17. Partition Wall	0.00	0.00	0	0.00	0		17.
18. Plaster/Drywall	0.00	0.00	0	0.00	0		18.
19. Decorating	0.00	0.00	0	0.00	0		19.
20. Wood Trim	0.00	0.00	0	0.00	0		20.
21. Stairs	0.00	0.00	0	0.00	0		21.
22. Closets	0.00	0.00	0	0.00	0		22.
23. Wood Floors	3068.00	0.00	0	1050.00	34		23.
24. Finished Floors	0.00	0.00	0	0.00	0		24.
25. Ceramic Tile	0.00	0.00	0	0.00	0		25.
26. Bath Accesories	0.00	0.00	0	0.00	0		26.
27. Plumbing	0.00	0.00	0	0.00	0		27.
28. Electrical	0.00	0.00	0	0.00	0		28.
29. Heating	0.00	0.00	0	0.00	0		29.
30. Insulation	0.00	0.00	0	0.00	0		30.
31. Cabinetry	0.00	0.00	0	0.00	0		31.
32. Appliances	0.00	0.00	0	0.00	0		32.
33. Basements	0.00	0.00	0	0.00	0		33.
34. Cleanup	0.00	0.00	0	0.00	0		34.
35. Miscellaneous	0.00	0.00	0	0.00	0		35.
36. Totals	5453.00	0.00	0	1750.00	32		36.

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 *Catherine Hill* I.D. Number **P9999** Date **10-08-2021**

Approved for Release	This Draw	Totals to Date	The Lender is hereby authorized to release the following funds from the escrow account	
Total from Above	\$ 1750.00	\$ 1750.00	Payable to the Borrower \$ 1575.00	Payable to the Fee Inspector \$ 213.38
Less 10% Holdback	\$ 175.00	\$ 175.00	Payable to	\$
Net Amount Due Borrower	\$ 1575.00	\$ 1575.00	Signature & Date <input type="checkbox"/> Lender-Authorized Agent <input 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. <input type="checkbox"/> Unable to make inspection. (explain below) | 3. <input type="checkbox"/> No noncompliance observed. |
| 2. <input type="checkbox"/> Correction essential as explained below: | 4. <input type="checkbox"/> Acceptable variations as described below. |
| a. <input type="checkbox"/> Will examine at next inspection. | 5. <input type="checkbox"/> On-site improvements acceptably completed. |
| b. <input type="checkbox"/> Do not conceal until reinspected. | |

II. Explanation of statements checked above

Draw Inspection Contingency Reserve Inspection Final Inspection Change Order Other (explain) Inspection Number **1**

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 **213.38** ID Number **P9999**

X *Catherine Hill*

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.

Conditional Waiver and Release of Lien Upon Progress Payment

The undersigned ("Affiant"), being duly sworn, deposes and says:
Affiant is a contractor, subcontractor, materialman 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:

Borrower's Name: **David Smith and Robert Jones**

Property Address: 455 Smith Street Unit J, Philadelphia, Pennsylvania 19143

Total Amount of Request: 1750.00

Amount of Retainage (10%): 175.00

Lien Release Amount: 1575.00

A ten percent (10%) holdback 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 charges 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 an forever waives and releases all claims of ever kind against Borrower of the property referred to above of any other property of Borrower, including, but not limited to all liens and claims of lines, that Contractor may have as a result of or in connections 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 warranted 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 have 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 Borrower and hold Borrower harmless from and against all liability, loss, cost, or expense (including, but not limited to attorney's fees) now or hereafter, paid, or suffered by or asserted against Borrower or any of Borrower's property because of any claim or action by 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 Borrower and Borrower's heirs, legal representatives, successors, assigns and sureties.

Release Date: 10-08-2021 (Required)

Claimant's Company Name and Address: **Joe's company**

(filled by Genesis) 370 Church Road Norristown, Pennsylvania 19403

Contractor's Signature: _____ (Required)

Printed Name and Title: _____ (Required)



INVOICE

To: *Sample Lender*
Test Disbursement
123 Main Street
Anytown USA 12345
123test@test.com

From: *Catherine Queeny P9999*
Date: *10-08-2021*
Invoice : *Carroll Smith 455 J.10-08-2021*

Attn: Renovation Loan Processor,

Re: Invoice for Consultation/Inspection Service Fees

Borrower(s) Names: *David Smith and Robert Jones* **Lender Loan #/**

FHA Case #

Property Address: *455 Smith Street Unit J,*
Philadelphia, Pennsylvania 19143

Description	Amount
DRAW FEE - MILEAGE INCLUDED	\$213.38
Total	\$213.38

Make all checks payable to **Nafhac 203k**
Payment is due upon receipt.

If you have any questions concerning this invoice, contact

(*Catherine Queen* | (844) 436-2035 | *203kqueen@nafhac.org*)

Photo Album of:
455 Smith Street Unit J



SAMPLE