

## .06 ESCROWS FOR COMPLETION

Escrows for completion of the renovation are acceptable and generally should not exceed 50% of the total loan amount or \$75,000, whichever is less. The escrow must include a minimum 10% contingency for cost overruns and incidentals. Any AHFC loan funds remaining in the escrow account at completion of the project must be applied to the principal balance of the loan. The term of the escrow generally may not exceed 180 days.

**Note:** With the exception of health and/or safety issues, a loan may be sold to AHFC prior to completion as long as the escrow does not exceed \$75,000 plus the 10% contingency. The Lender is responsible for certifying repairs/renovations are completed and obtaining a final appraisal supporting the “as complete” value. See [Sections 2000.05.D](#) and [9001.06](#) and [Forms PUR-201](#) and [PUR-75](#) for additional information.