

C. Purchase/Renovation and Renovation/Refinance

An escrow sufficient to complete the renovation may be established from loan proceeds with the Lender assuming responsibility for completion within 180 days from closing. Escrows are limited to 50% of the total loan amount or \$75,000, whichever is less, and must contain a minimum 10% contingency for cost overruns. All loans submitted to AHFC for purchase with an escrow balance must provide documentation supporting the escrow balance and disbursements (if any) at the time of purchase. Any AHFC funds remaining in the escrow account at completion of the project are applied to the principal balance of the loan. The Escrow Agreement must specify that the funds will not be fully disbursed until the work is satisfactorily completed as determined by the inspecting appraiser and/or an employee of the Lender or its agent and the final appraisal supports the "as complete" value.