

DOES YOUR HUD PROPERTY NEED SOME MINOR REPAIRS?

PROGRAM SUMMARY

The FHA 203(b) with Repair Escrow is intended to facilitate uncomplicated rehabilitation to a home being purchased from HUD. To qualify, HUD must agree to allow a Repair Escrow per the purchase contract and the appraisal must be marked as "Insurable with Repair Escrow." The funds for the repairs and reserve contingency are borrowed and cannot be more than \$5,500 combined. The repair items cannot require plans, consultants, engineers and/or architects and should only be for cosmetic purposes.

ELIGIBLE REPAIRS

- Repair roofs, gutters and downspouts
- Repair, replacement, or upgrade of existing HVAC systems, plumbing, and electrical systems
- Repair or replacement of flooring
- Painting, both exterior and interior
- Weatherization, including storm windows and doors, insulation, weather stripping, etc.
- Purchase and installation of appliances including free-standing ranges, refrigerators, washers/dryers, dishwashers and microwave ovens
- Minor repair to exterior decks, patios, and porches
- Minor basement waterproofing
- Minor mold remediation
- Window and door replacements and exterior wall re-siding
- Other minor repairs as indicated by the appraiser as being cosmetic in nature and conform to HUD's repair escrow requirements

INELIGIBLE REPAIRS

- Major rehabilitation or major remodeling, such as the relocation of a load-bearing wall
- New construction, including room additions
- Any repair that, according to the appraiser's report, are not cosmetic in nature
- Repairs of structural damage
- Repairs requiring detailed drawings or architectural exhibits
- Landscaping or similar site amenity improvements
- Any repair or improvement requiring a work schedule longer than 60 days
- Repair or rehabilitation activities that require more than one (1) final disbursement
- Repair of swimming pools

This is not a commitment to lend. All loans subject to credit approval. Guidelines subject to change without prior notice. This information is provided to assist business professionals only and is not an advertisement extended to the consumer as defined by Section 226.2 Regulation Z - EOE. Equal Housing Lender.



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