

Renovation Draw Process Acknowledgement Disclosure

When the Contractor desires a draw, the draw request documentation will be prepared by the HUD Consultant and signed by all parties. The number of draws will be determined by the Consultant prior to the closing of the loan. When permits are required, those fees may be reimbursed to the Contractor at closing with proper documentation. The final payment to the Contractor will be made following completion of all work, as evidenced by an inspection provided by the Consultant and release of any and all liens arising out of the contract or submission of receipts or other evidence of payment covering all subcontractors or suppliers who could file a legal claim. Lender reserves the right to have all work verified by an inspection report before disbursement to Contractor.

All draw requests must be submitted directly to American Financial Resources, Inc. Renovation Department. The appropriate Draw Request Form is to be completed and executed by the Consultant, Contractor and the Borrower for each draw.

Please submit via e-mail to renovation@afrwholesale.com. AFR's Renovation Department will review the documentation. Upon approval of each draw request, inspection and contractor lien waiver, funds will be disbursed to the Contractor via ACH bank transfer to Contractor's account *only* after receipt of authorization and consent by the Borrower. It is anticipated that the time from submittal of an acceptable request and an inspection report to AFR's Renovation Department until the ACH bank transfer is issued for delivery to the contractor will be approximately 2-3 business days, unless there are delays by the inspector and/or closing agent, or Borrower.

Any questions related to draws are to be addressed with AFR's Renovation Department. You may contact them by phone at (800) 624-0501, by fax at (866) 797-3137, by e-mail at renovation@afrwholesale.com, or by mail at:

American Financial Resources, Inc.
8 Campus Drive, Suite 401
Parsippany, NJ 07054
Attn: Renovation Department

Please Note: All change orders must be submitted by the Consultant to AFR's Renovation Department for Lender approval prior to disbursement.

By signing below, you are acknowledging that you understand the draw procedure and accept the responsibility of this disclosure.

Contractor's Company Name

Contractor's Name printed

Contractor's signature

Date

Borrower's signature (only one signature is required)

Date

AFR's Loan Number _____

Mortgagor's Letter of Completion

To American Financial Resources, Inc

RE:

Name of Borrower(s)	
Property Address	

The rehabilitation construction and/or improvements, as outlined in the Rehabilitation Loan Agreement and the accepted appraisal of my loan, have been completed in a workmanlike manner to my/our satisfaction to the above-mentioned property.

I/We request that the Final Inspection by the approved inspector and the Final Release of funds from the Rehabilitation Escrow Account be made to my contractor after you receive an acceptable Final Compliance Inspection Report.

This request also directs you to properly distribute the funds remaining in the Rehabilitation Escrow Account that represent the balance of the Contingency Reserve, Mortgage Payment Reserve, inspection fees and other miscellaneous fees that were not used. I/We understand that you, the lender, if required to protect the priority of the Security Instrument may retain any funds remaining in the Rehabilitation Escrow Account for a period of not more than thirty five (35) days or a longer time period allowable by state laws to ensure against any liens resulting from the Rehabilitation work done at the subject property. However; at the earliest possible date, I/We request any such funds be released to as appropriate.

I/We understand that these remaining funds will be sent to the current servicer of my/our mortgage to be used as a principle reduction of the remaining balance and does not change the current term or payments. I/We understand that I/We must make the regularly scheduled mortgage payment.

This executed document should be e-mailed to: Renovation@afrwholesale.com

Borrower(s) Signature	Date	Borrower(s) Signature	Date
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Borrower(s) Signature	Date	Borrower(s) Signature	Date
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