

Escrow Agreement for Unpaid Construction Costs

For Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0470
(Exp.8/31/2013)

Public reporting burden for this collection of information is estimated to average 30 minutes 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. HUD 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 is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD in determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the project design meets the needs of the residents. The Department will use this information to determine if the project meets statutory requirements with respect to the development and operation of the project, as well as ensuring the continued marketability of the projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

Whereas, _____,

is the owner of a project located in _____,

identified as Project Number _____, which project has been constructed from capital advance proceeds secured by a mortgage (or deed of trust) from HUD, and,

Whereas, the final closing is conditioned upon assurance that additional funding be made available for project purposes, primarily for the payment of unpaid construction costs resulting from the project during the period from initial closing to the cutoff date established for cost certification purposes.

Now, Therefore, This Agreement Witnesses:

1. That the owner has deposited with _____, Depository, \$ _____, receipt of which is acknowledged by the Depository, to be held and disbursed by the Depository as hereinafter set out.
2. The Depository shall hold the escrow subject to disbursement at the direction of the HUD for a period of _____ months plus any additional period by which payment of construction costs is estimated by the owner to be in dispute or under litigation. Disbursements from the escrow may be authorized by HUD to meet any established cost for which the escrow deposit was intended. In determining the amount of such cash deposit, effect will be given to the owner's outstanding liabilities as reported on HUD-90175-CA, Request for Final Closing.
3. **It Is Further Understood And Agreed** that the Depository will hold and disburse this escrow at the sole direction of HUD.

Date:	Owner (Seal)
Depository:	By: (U.S. Dept. of HUD)
By:	By: (Authorized Agent) (Seal)