



**MERRIMACK**  
**MORTGAGE COMPANY, INC.**

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MMC FHA 203K Streamline

Contractor Summary

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You are entering into a renovation loan (203K Streamline) transaction, the Lender would like to highlight certain renovation program guidelines that are often misunderstood. After reading the guideline summary below, please initial and sign acknowledging both your understanding and acceptance of these terms.

***By initialing, I acknowledge that I have read and understand all the statements above and will adhere to the policies stated below.***

1. Contractor: Contractor may NOT be a relative of the borrower.

\_\_\_\_\_/\_\_\_\_\_  
Date

2. Contingency Reserves: The contingency reserve fund can range from 10% - 15% depending on your renovation loan program. This contingency reserve fund is to be used in case any unforeseen deficiencies affecting the health, safety and structure of the property are found as the work progresses. Any request to use the contingency reserve must be approved prior to use.

\_\_\_\_\_/\_\_\_\_\_  
Date

3. Draw Disbursements: All draw disbursements will be processed within 72 hours of receipt of a fully executed draw request form signed by all parties. These disbursements will be made by two-party checks to the borrower and the contractor.

\_\_\_\_\_/\_\_\_\_\_  
Date

4. Work Change Orders: Work Change Orders are not allowed. For any work completed without the approval of the Lender renovation funds may not be used. A request to use contingency funds can be submitted to address unforeseen deficiencies affecting the health, safety and structure of the property.

\_\_\_\_\_/\_\_\_\_\_  
Date

5. Up-Front monies: The 203K Streamline allows two (2) disbursements. The first disbursement of 35% will be released at closing or as soon as permits are obtained (after closing). Final disbursement will be made after work has been completed in a workmanlike fashion. There are no exceptions to this guideline.

\_\_\_\_\_/\_\_\_\_\_  
Date

## Checklist for Contractor

### FHA 203Ks Program

\_\_\_ Need contract on Contractor's letterhead itemizing and describing each repair that will be completed and giving a dollar amount for both labor and materials.

Contract must be totaled. Contract must be signed by both the Contractor and the Borrower. Borrowers' names and the property address must be referenced.

\_\_\_ Contractor Profile Sheet to be completed. All 3 references will be verified so we recommend that you call the contacts before listing them as a reference so that they are expecting our call.

\_\_\_ 203Ks Notice to Contractor. Please read carefully as it gives some important information about how the program works.

\_\_\_ Insurance Info must be provided per the 203Ks Notice to Contractor

\_\_\_ W9 form must be completed (as noted on the 203Ks Notice to Contractor)

\_\_\_ Copy of License for Contractor's trade, if applicable

\_\_\_ FHA 203K Homeowner-Contractor Agreement. Must be fully completed and must match the Contract that itemizes the repairs to be done. Please read this carefully as it does explain the program. Must be signed by Contractor & Borrower.

\_\_\_ Identity of Interest Form must be signed by Borrower & Contractor

\_\_\_ Before any funds can be disbursed, need permit(s) or proof that a permit(s) are not required for the repairs being completed.

\_\_\_ Permit worksheet must be executed.

Please call Renee Duval, Certified Mortgage Professional , NMLS# 97967

Merrimack Mortgage Company – 19 Washington Street – Concord, NH



*MERRIMACK  
MORTGAGE COMPANY, INC.*

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MMC FHA 203K Streamline

Notice to Contractor

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This loan is in a mortgage program with set program requirements that must be followed.

Up Front Monies: The FHA 203K Streamline Loan Program allows two (2) disbursements. The first disbursement of 35% will be released at closing or as soon as permits are obtained (after closing). Final disbursement will be made after work has been completed in a workmanlike fashion. There are no exceptions to this guideline.

Do not complete work unless outlined in the contract.

There will be no funds for changes.

All disbursements will be made by two party checks to the contractor and borrower/homeowner.

All contractors must:

- Complete the enclosed Homeowner/Contractor Agreement
- Provide a copy of your state business license, if applicable
- Provide a copy of your insurance binder showing general liability. It must include the subject property address on binder
- Complete the Contractor Profile
- Provide executed W9

All work must be completed within sixty (60) days.

By signing this form you are acknowledging and agreeing to the above stated items. This notice does not supersede the Homeowner/Contractor Agreement.

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Contractor's Company Name

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Contractor's Phone Number

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Contractor's Signature

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Print Contractor's Name

**HOMEOWNER/CONTRACTOR AGREEMENT**  
**FHA 203(k) Rehabilitation Program**

**Owner's Name(s):** \_\_\_\_\_ **FHA Case No:** \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone Work: \_\_\_\_\_ Home: \_\_\_\_\_

**Contractors Name:** \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ St: \_\_\_\_\_ Z/C: \_\_\_\_\_

Telephone Work: \_\_\_\_\_ Cell: \_\_\_\_\_

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**THIS AGREEMENT (three pages)** made this date, \_\_\_\_\_, between the above mentioned Homeowner (Owner) and Contractor, is for the rehabilitation of the property located at \_\_\_\_\_ that has been approved for FHA mortgage insurance under Section 203(k) of the National Housing Act. The Owner(s) shall pay the Contractor the sum of \$\_\_\_\_\_ for completion of the work, including all sales tax due by law, together with such increases or decreases in the contract price as may be approved in writing by the Lender. The work will begin within 30 days of loan closing with the Lender and will be completed no later than \_\_\_\_\_, unless delayed beyond the Contractor's control. The General Provisions listed below are made a part of this Agreement. The contract documents consist of the architectural exhibits listed in the Rehabilitation Loan Agreement between the Owner(s) and the Lender, or as described below (or on an attached sheet):

1. **Contract Documents:** This Agreement includes all general provisions, special provisions and architectural exhibits that were accepted by the lender. Work not covered by this agreement will not be required unless it is required by reasonable inference as being necessary to produce the intended result. By executing this Agreement, the contractor represents that he/she has visited the site and understands local conditions, including state and local building regulations and conditions under which the work is to be performed.
2. **Owner:** Unless otherwise provided for in the Agreement, the owner will secure and pay for necessary easements, exceptions from zoning requirements, or other actions which must precede the approval of a permit for this project. If owner fails to do so then the contract is void. If the contractor fails to correct defective work or persistently fails to carry out the work in accordance with the agreement or general provisions, the owner may order the contractor in writing to stop such work, or a part of the work, until the cause for the order has been eliminated.

**Owners Initials:** \_\_\_\_\_

**Contractor's Initials:** \_\_\_\_\_

-Continued on Page Two-

3. Contractor: The contractor will supervise and direct the work and the work of all subcontractors. He/she will use the best skill and attention and will be solely responsible for all construction methods and materials and for coordinating all portions of the work. Unless otherwise specified in the Agreement, the contractor will provide for and/or pay for all labor, materials, equipment, tools, machinery, transportation, and other goods, facilities, and services necessary for the proper execution and completion of the work. The contractor will maintain order and discipline among employees and will not assign anyone unfit for the task. The contractor warrants to the owner that all materials and equipment incorporated are new and that all work will be of good quality and free of defects or faults. The contractor will pay all sales, use and other taxes related to the work and will secure and pay for building permits and/or other permits, fees, inspections and licenses necessary for the completion of the work unless otherwise specified in the Agreement. The contractor will indemnify and hold harmless the owner from and against all claim, damages, losses, expenses, legal fees or other costs arising or resulting from the contractors performance of the work or provisions of this section. The contractor will comply with all rules, regulations, laws, ordinances and orders of any public authority or HUD inspector bearing on the performance of the work. The contractor is responsible for, and indemnifies the Owner against, acts and omissions of employees, subcontractors and their employees, or others performing the work under this Agreement with the contractor. The contractor will provide shop drawings, samples, product data or other information provided for in this Agreement, where necessary.
4. Subcontractor: Selected by the contractor, except that the contractor will not employ any subcontractor to whom the owner may have a reasonable objection, nor will the contractor be required by the owner to employ any subcontractor to whom the contractor has a reasonable objection.
5. Work by Owner or Other Contractor: The owner reserves the right to perform work related to the project, but which is not a part of this Agreement, and to award separate contracts in connection with other portions of the project not detailed in this Agreement. All contractors and subcontractors will be afforded reasonable opportunity for the storage of materials and equipment by the owner and by each other. Any costs arising by defective or ill-timed work will be borne by the responsible party.
6. Binding Arbitration: Claims or disputes relating to the Agreement or General Provisions will be resolved by the Construction Industry Arbitration Rules of the American Arbitration Association (AAA) unless both parties mutually agree to other methods. The notice of the demand for arbitration must be filed in writing with the other party to this Agreement and with the AAA and must be made in a reasonable time after the dispute has arisen. The award rendered by the arbitrator(s) will be considered final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.
7. Cleanup and Trash Removal: The contractor will keep the owner's residence free from waste or rubbish resulting from the work. All waste, rubbish, tools, construction materials, and machinery will be removed promptly after completion of the work by the contractor.
8. Time: With respect to the scheduled completion of the work, time is of the essence. If the contractor is delayed at anytime in the progress of the work by change orders, fire, labor disputes, acts of God or other causes beyond the contractor's control, the completion schedule for the work or affected parts of the work may be extended by the same amount of time caused by the delay. The contractor must begin work no later than 30 days after loan closing and will not cease work for more than 30 consecutive days.
9. Payments and Completion: Payments may be withheld because of (1) defective work not remedied; (2) failure of contractor to make proper payments to subcontractors, workers, or suppliers; (3) persistent failure to carry out work in acceptance with this Agreement or these general conditions, or (4) legal claims. Final payment will be due after complete 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 such a lien. The contractor agrees to indemnify the Owner against such liens and will refund all monies including costs and reasonable attorney's fees paid by the owner in discharging the liens. A 10 percent holdback is required by the lender to assure the work has been properly completed and there are no liens against the property.

**Owners Initials:** \_\_\_\_\_

**Contractor's Initials:** \_\_\_\_\_

- 10. Protection of Property and Persons: The contractor is responsible for initiating, maintaining, and supervising all necessary or required safety programs. The contractor must comply with all applicable laws, regulations, ordinances, orders or laws of federal, state, county or local governments. The contractor will indemnify the owner for all property loss or damage to the owner caused by his/her employees or his/her direct or subcontractors.
  
- 11. Insurance: The contractor will purchase and maintain such insurance necessary to protect from claims under workers compensation and from any damage to the owner(s) property resulting from the conduct of this contract.
  
- 12. Changes in the Contract: The owner may order changes, additions or modifications (using form HUD-92577) without invalidating the contract. Such changes must be in writing and signed by the owner and accepted by the lender. Not all change order requests may be accepted by the lender, therefore, the contractor proceeds at his/her own risk if work is completed without an accepted change order.
  
- 13. Correction of Deficiencies: The contractor must correct promptly any work of his/her own or his/her subcontractors found to be defective or not complying with the terms of the contract.
  
- 14. Warranty: The contractor will provide a one-year warranty on all labor and materials used in the rehabilitation of the property. This warranty must extend one year from the date of completion of the contract or longer if prescribed by law unless otherwise specified by other terms of this contract. Disputes will be resolved through the Construction Industry Arbitration Rules of the American Arbitration Association.
  
- 15. Termination: If the owner fails to make a payment under the terms of this Agreement, through no fault of the contractor, the contractor may, upon ten working days written notice to the owner, and if not satisfied, terminate this Agreement. The owner will be responsible for paying the contractor for all work completed. If the contractor fails or neglects to carry out the terms of the contract, the owner, after ten working days written notice to the contractor, may terminate this Agreement.

**Owner Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Owner Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Contractor Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## Identity-of-Interest Certifications

**Borrower's Identity-of-Interest Certification.** The borrower must sign a certification stating the following: "I hereby certify to the Department of Housing and Urban Development (HUD) and (lender), that I/We do not have an identity-of-interest with the seller of the property. I also Certify that I/We do not have a conflict-of-interest with any other party to the transaction, including the realtor, lender, contractor, consultant and/or the appraiser. In addition, I certify that I am not obtaining any source of funds or acting as a "strawbuyer" for another individual, partnership, company or investment club and I/We \_\_\_\_\_ will/will not \_\_\_\_\_ occupy the residence I/We are purchasing or refinancing."  
**Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).**

<b>Borrower's Signature</b>	<b>Date</b>
<b>Co-borrower's Signature</b>	<b>Date</b>

**Consultant's Identity-of-Interest Certification.** All consultants and plan reviewers are required to sign the following certification after preparing/reviewing the work write-up and cost estimate, stating: "I hereby certify that I have carefully inspected this property for compliance with the general acceptability requirements (including health and safety) in Handbook 4905.1. I have required as necessary and reviewed the architectural exhibits, including any applicable engineering and termite reports, and the estimated rehabilitation cost and they are acceptable for the rehabilitation of this property. I have no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage. I also certify that I have no identity-of-interest or conflict-of-interest with the borrower, seller, lender, realtor, appraiser, plan reviewer, contractor or subcontractor. To the best of my knowledge, I have reported all items requiring correction and that the rehabilitation proposal now meets all HUD requirements for 203(k) Rehabilitation Mortgage Insurance."  
**Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C 1001, 1010, 1012; 31 U.S.C 3729, 3802).**

<b>Contractor's Signature</b>	<b>Date</b>
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## Request for Taxpayer Identification Number and Certification

**Give form to the  
 requester. Do not  
 send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



# Rehabilitation Loan Permit Certification

(To be completed by local municipality or HUD Consultant)

Property: \_\_\_\_\_

Applicant(s): \_\_\_\_\_

\_\_\_\_\_

Loan #: \_\_\_\_\_

Rehab Type:       Full 203K     Streamline 203k     Fnm Homestyle     SONYMA \_\_\_\_\_     Other \_\_\_\_\_  
Municipality Type:     County     Town     City     Village     Other \_\_\_\_\_

Name of Municipality: \_\_\_\_\_ Phone No: (    ) \_\_\_\_\_

**Refinance** Borrower(s) must provide written evidence, prior to closing, from local municipality (county/city/town/village, etc.) that they have applied for (and when possible, been granted) permits for all work items listed in their 203K plan which require permits

**Purchase** Borrower does not own subject property yet, but must validate, prior to closing, with local municipality (county / city/town/village, etc.) which permits (if any) will be required for all work items listed in their 203K plan.

**ATTN: BUILDING DEPARTMENT/INSPECTOR:**

The property listed above is subject to renovations. Lending guidelines require that all necessary permits and inspections be obtained from local municipality authorities. *Please review the attached plans & specifications to determine if any permits are required for the outlined work. Please indicate below which permits/inspections will be required, or if already issued.*

CONTRACTOR NAME	ANTICIPATED WORK (General Description)	APPROX. COST

-Please use the back of this form to include additional information-

MUNICIPALITY TO COMPLETE			
PERMIT TYPE:	PERMIT REQUIRED?	INSPECTION REQUIRED?	COST OF EACH? (if any)
GENERAL BLDG PERMIT	Y / N	Y / N	\$
HVAC	Y / N	Y / N	\$
ROOFING	Y / N	Y / N	\$
ELECTRICAL	Y / N	Y / N	\$
PLUMBING	Y / N	Y / N	\$
OTHER	Y / N	Y / N	\$
NO PERMITS REQUIRED	Y / N	Y / N	\$

FOR INTERNAL M&T USE ONLY		
Financed into Loan Amt?	Permit obtained by customer prior to closing?	Permit to be obtained/coordinated by Borrower?

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

- 203K Consultant\* ID # \_\_\_\_\_ (\*By Signing, HUD Consultant certifies that s/he has verified the above information w/the municipality)  
 City/Town/County Bldg Inspector/Code Enforcement Officer

**Borrower Acknowledgment/Notice to Mortgage Applicant:** You must take this form to your local municipality to be completed, or your HUD 203k Consultant, if applicable. *M&T will not permit the scheduling of your closing without verification of required permits, for refinance or purchase transactions.*

➔ Borrower(s) SELECT ONE:  I DO /  I DO NOT request the sum of all permits to be financed into my 203k Rehabilitation Escrow. ←

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date



MERRIMACK MORTGAGE COMPANY, INC.

MMC FHA Full 203K

Contractor Profile/Resume Report

Legal Business Name, Phone, Fax, Street, Email Address, City/State/Zip, Date Business Started, Form of Business, Type of Business

Principals/Owners Name, Title, Street Address, Phone, City/State/Zip

Licenses (Attach copies of Licenses Listed Below) Type, Municipality Issuing License

Customer References (List individuals MMC may contact as a reference for work you have completed) Name of Customer, Address, Description of work completed, Phone Number

Major Suppliers (List any major suppliers you have accounts with for a credit rating) Supplier Name/Material, Date Opened, High Balance, Phone Number

Answer all questions below: 1. Are any of your income taxes past due? 2. Have you or any principals of your company... 3. Are there any outstanding judgments... If any answers were YES, please explain below:

INFORMATION: All information given in this document is true, correct and complete as of the date of this document. I/We authorize you to verify any information given.

CREDIT REPORTS: I/We understand that you may request a credit report from a credit reporting agency in connection with this document or in connection with any update, extension or renewal of any credit you extend based upon this document.

KEEPING RESUME: I/We agree that you may keep this resume for your file.

Name of Applicant

By: Signature and Title