

INCOMPLETE WORK ESCROW POLICY

Following represents the policy for the handling of Incomplete Work Escrow (IWE).

- 1 **MaineHousing** will establish the scope of work, completion date and appropriate dollar value for the incomplete work escrow at the time of the final inspection in consultation with the contractor, and architect, and in accordance with policy herein.
- 2 Eligible escrow items shall generally be limited to seasonal items, and back ordered items (if proof of ordering is provided at the final inspection), unless MaineHousing determines that extraordinary circumstances warrant inclusion of other non-safety related items.
- 3 150% times the actual escrow amount shall be held in escrow by **MaineHousing** to cover any and all escrow items.
- 4 All escrow work shall be completed in full as per the date(s) in the agreement, unless a longer period is agreed upon initially for seasonal or back ordered items.
- 5 The Owner shall notify **MaineHousing** in writing when items of an escrow section are complete and ready for inspection. No inspection shall be made until said notification has been received. MaineHousing shall schedule an inspection within 5 working days after receipt of notice from the owner.
- 6 Upon acceptance of items in an escrow section, **MaineHousing** will prepare a release of those funds being withheld against those work items. AT NO TIME SHALL AN AGGREGATE AMOUNT EXCEEDING 50% OF THE TOTAL ESCROW AMOUNT BE RELEASED PRIOR TO COMPLETION OF ALL ESCROW ITEMS.
- 7 Upon the forfeiture of escrow monies to **MaineHousing**, **MaineHousing** shall proceed to have all incomplete work escrow items completed by a contractor, determined in the sole discretion of MaineHousing to be capable of completing said escrow items. Any escrow funds remaining after completing said escrow items shall be returned to the Developer.