

[Date]

[Lender Name/Escrow Company Name]

[Address]

[City, State, Zip Code]

RE: Escrow Holdback Agreement and Conditional Approval for Repairs

Property Address: [Property Full Address]

Loan Number: [Loan Number]

Buyer/Borrower: [Buyer Name]

Seller: [Seller Name]

To Whom It May Concern,

This letter serves as a formal agreement regarding the escrow holdback required for the completion of specific repairs as a condition of the loan approval for the aforementioned property. Due to [Reason for delay, e.g., weather conditions/parts on backorder], the following repairs cannot be completed prior to the closing date:

- [Repair Item 1]
- [Repair Item 2]
- [Repair Item 3]

Escrow Holdback Terms:

- **Holdback Amount:** \$ [Amount, typically 120%-150% of estimated cost] shall be withheld from the Seller's proceeds at the time of closing.
- **Completion Deadline:** All repairs must be completed and inspected no later than [Date].
- **Disbursement:** Funds will be released to the [Seller/Contractor] only upon receipt of a final inspection report, paid invoices, and lien waivers verifying the work is complete to the Lender's satisfaction.
- **Non-Completion:** If repairs are not completed by the deadline, the Lender reserves the right to use the funds to complete the repairs or apply the balance to the principal of the loan.

By signing below, all parties agree to the terms of this holdback and acknowledge that the loan is conditionally approved subject to the final verification of these repairs.

Sincerely,

Buyer Signature

Seller Signature

Lender/Escrow Officer Signature