**Energy Saver Home Loan Program**

**ESCROW AGREEMENT**

**THE PARTIES**

Borrower(s): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“Borrower”)

Property Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Property”)

Originating Lender: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lender”)

Escrow Agent: **Massachusetts Housing Finance Agency (“Escrow Agent” or “MassHousing”)**

**Total Amount of ESHLP Loan: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Loan”)**

Initial Deposit Amount: $\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Initial Deposit”)

Escrowed Deposit Amount: $\_\_\_\_\_\_\_\_\_\_ (“Escrowed Deposit”)

**PART I**

1. After the Borrower closes an Energy Saver Home Loan Program Loan with the Lender in the Loan Amount, and the Mortgage which secures the loan has been Recorded and all applicable waiting/rescission periods have elapsed, Lender shall pay over the Initial Deposit to the Contractor and then pay over the balance of the Loan, the Escrowed Deposit, to the Escrow Agent.
2. Escrow Agent shall hold the Escrowed Deposit in an interest-bearing escrow account (“Escrow Account”) for the benefit of Borrower.
3. It is the desire of the Borrower and the Escrow Agent that the funds in the Escrow Account solely be used to fund the Energy Saver Home Loan Program Improvements to be completed on the Property, as listed on the work write-up and contract as set forth in Part II (“Improvements”).

**PART II**

In return for an Energy Saver Home Loan Program Loan and the mutual promises stated herein, it is agreed as follows:

1. On completion of the Improvements, the Borrower shall send a request to Escrow Agent to disburse the Escrowed Deposit to both the Borrower and the Contractor.
2. In the event the Escrowed Deposit is less than the sums due to the Contractor on completion of the Improvements, Escrow Agent shall apply such funds to the principal of the Loan.
3. The Borrower acknowledges that they have been able to choose the state licensed Contractor of their choice to do the Energy Saver Home Loan Program work.

UNDER NO CIRCUMSTANCES IS THE OPERATION OF THIS ESCROW ACCOUNT INTENDED TO INSURE THE QUALITY OF THE IMPROVEMENTS OR THAT THE CONTRACTOR or SUPPLIER OR LABORER OF THE CONTRACTOR HAS NOT PLACED A LIEN ON THE BORROWER’S PROPERTY.

* The Borrower is not obligated to request a disbursement from the Escrow Account if they are not satisfied with the quality of the Energy Saver Home Loan Program work.
* The Borrower shall advise Escrow Agent in the event the Improvements are not completed by the date specified in the Contact.
* The Borrower agrees that the MassHousing will not be held liable for any acts of omission on the part of the Contractor or any supplier and laborer of the Contractor.
* The entire project must be completed within 12 months from date of closing unless MassHousing has granted an extension.

Acknowledged and agreed, this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

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Borrower’s Signature Borrower’s Signature

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Escrow Agent’s Signature