



Property Address:

Consultant Agreement
203(k) Inspection

This agreement is entered on: date: _____
between X: *Kathy M Seaton* (CONSULTANT) and X: _____ (BUYER) regarding the
subject property:

For the sum(s) specified the CONSULTANT agrees to:

1) The consultant shall meet with Borrower/Buyer/Homeowner (if refinance)/ Mortgagee(s) and or Borrower (s) Agent(s) and/or Contractor(s) at the subject property address with the full intention of doing a “203-K work write up” (Specifications of repairs) however, the first step of this process is to determine overall feasibility for FHA’s 203K Rehabilitation Mortgage Program within the buyer’s repair budget. This feasibility study is no more than a brief walk through of the dwelling. This is being done while you the Buyer(s) have an opportunity to read this agreement. After going thru the property a verbal opinion will be given as to the feasibility of the rehab project. If upon initial examination it is determined quickly that the needed repairs are unfeasible for the borrower(s) and/or excessively expensive, the Consultant will NOT perform a full 203-K write up inspection and a fee of \$150 will be due. The feasibility fee of \$150 will be waived should Borrower(s) decide to continue the 203-K write up process at this time and day only. If the borrowers decide to continue the total of the Consultant fee is due prior to Consultant proceeding with the full 203-K inspection.

Please note, the 203-K write up inspection is NOT to be considered as a “home inspection”. The sole function of the 203-K Inspection is to determine mandatory repairs, estimated cost, and or desired improvements by the mortgagee to obtain 203K financing. The consultant will inform the borrower of any adverse defects that she may discover in her report.

2) With Borrower(s)’ input, Consultant will list work items that: A) must be done according to the program; B) would be recommended to be done at this time by the Consultant or others, and; C) are desired by Borrower(s). From this list, Consultant and Borrower(s) will jointly determine the scope of the work. If the subject property is located in a city that requires an occupancy inspection by the local building and safety department, the Consultant will include the cited municipal violations if they are available to her at the time of inspection.

3) Produce appropriate documentation in a HUD accepted format with:
Draw Request
Specification of Repairs
Narrative Scope
Contractor Bid

***The Consultant does not guarantee the accuracy of rehabilitation cost, dimensions, defects unseen, unknown, and or missed.

***The Borrower agrees to hold the Consultant harmless of any claim to the above mentioned.

***All Consultant fees are NON-refundable and are NOT contingent of the Borrower being able to successfully secure a 203K mortgage.

For performing the above services, Borrower(s) agrees to pay the Consultant the total sum listed below at the time of service which is based on HUD’s recommended fee schedule, \$400 for repairs < (less) than \$7,500; \$500 < \$15,000; \$600 < \$30,000; \$700 < \$50,000; \$800 < \$75,000; \$900 < \$90,000; \$1000 < \$100,000. An additional fee of \$25 can be charged per unit for multiple family buildings. A fee of \$50 may be CHARGED to the Buyer for ANY CHANGES, or change request by the Buyer(s) after the specification of repairs have been completed. The “Specification of Repairs” MUST be followed as written. DO NOT DEVIATE from accepted Specifications without the written approval of Mortgage Company and the Consultant. The borrowers have been advised that the 203-K program is for “owner occupants” and HUD approved non-profit organizations only. NO INVESTORS! If required by the Lender to use a Contractor, it is the SOLE RESPONSIBILITY of the BORROWER to CHOOSE and obtain the services of a Licensed and qualified CONTRACTOR.

It is understood that when the Borrower/Homeowner would like to pay the Contractor it is ONLY for REPAIRS that have been COMPLETED. NO upfront monies, NO start up monies, the Borrower/Homeowner must APPROVE the COMPLETED REPAIRS and fill in the draw request with the amounts to be paid to the Contractor. (See draw request instructions) This is done PRIOR to Consultant making draw inspections. The Borrowers have been given a copy of "Rehab A Home With HUD's 203-K" (HUD-1220-H2) booklet.

*** (It is recommended that the services of an Attorney are obtained in all real estate transactions.

***The Consultant SHALL NOT act as an Arbitrator if disputes arise between the Borrower and Contractor. It is critical that the Homeowner and Contractor communicate and MAKE ALL CHANGES IN WRITING. It is disclosed that the Consultant is a licensed Real Estate Broker and Residential Builder however, is acting only in the capacity as a 203K Consultant in this 203K project.

The Consultant agrees to make draw inspections for a period of six months from date of closing.

It is understood that any architectural exhibits (drawings by Consultant) do not indulge certified architectural drawings. If such drawings become necessary, all extra costs will be the responsibility of the borrower. If additional testing services are necessary, (wall, septic, etc.) a qualified sub-contractor agreed to by the Borrower will provide these services. The charges for these testing services are in addition to the above Consultant. The Consultant will try to estimate all extra charges in advance. The charges, however, will be the sole responsibility of the borrower(s). Cost estimates were obtained by use of the 1998 "Home Tech Cost Estimator" and local contractors pricing.

The Consultant has no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage.

The Consultant has no identity-of-interest or conflict-of-interest with the borrower, seller, lender, realtor, appraiser, plan reviewer, contractor, or sub-contractor.

The Consultant maintains a fiduciary relationship with the borrower and the integrity of the FHA 203k Program.

Additional Testing Services or Certifications that may be necessary and their estimated charges:

_____ Monthly Mortgage Payments @ \$_____ each

_____ Consultant Fee, PAID IN FULL: Amount: \$_____
fee must be paid in full if contract is pending acceptance

_____ Consultant Fee, PAID 1/2 of Fee: Amount: \$_____

_____ Consultant Fee due at closing: Amount: \$_____

_____ Permits: Cost _____

HUD Consultant X: _____

Borrower X: _____

Co-Borrower X _____