

Listed below are the proper procedures to be initiated in the event of damage to the property. Please be certain to follow as outlined.

1. Notification of the property damage must be reported to Kentucky Housing Corporation (KHC).
2. The insurance company will assign an adjustor to inspect the damage to the property. KHC must be advised at all times of the status of repairs to the property. A copy of the adjusters report should be forwarded to KHC upon receipt.
3. All checks for repairs must be made payable to KHC, and the insured.
4. The insured must endorse the check(s) and forward to KHC. In the event the contractor is named on the check, please secure their endorsement before forwarding to Kentucky Housing Corporation. KHC will obtain any other check endorsements. After all concerned parties have endorsed the checks, KHC will deposit the funds in a special escrow account to be held until disbursements are necessary for completed repairs. Any checks issued for repairs from KHC will be payable to the insured and the party completing the repairs.
5. KHC must be provided with a copy of the bid from the contractor who will be responsible for the repairs.
6. Each time the contractor requests a release of funds, supporting documentation must be submitted to KHC. This documentation should indicate the completed items that necessitate the release of funds. Upon receipt, we will review and approval.
7. Kentucky Housing Corporation may require a physical inspection to be completed by someone of their choice during the process of repairs or after completion of repairs before they will approve a release of funds. All concerned parties will be notified if the inspection is required.
8. Once all inspections are completed(if applicable) the final release of funds will be made upon our receipt and completion of the "satisfaction" statement.
9. Upon our receipt of the written statement, we will send out the final release of funds. Also, included with the check will

be an affidavit for completion and signature of the contractor. The affidavit indicates the contractor has been paid in full and that there are no liens filed against the property for repairs. It is important to obtain the signed and completed contractor's affidavit before giving the final check to the contractor for repairs. If the contractor does not comply, then you should withhold the check and advise KHC of any problems. The completed and signed affidavit must be returned to KHC for our files.