**Retainage Trust Fund Talking Points**

1. Get this: Each month, I submit an invoice for the work I did. When I get paid the next month, I only get 90% of my invoice amount! That’s because state law requires the property owner to withhold 10% of the contract price from the general contractor and the general contractor holds 10% from me. That 10% is retainage and it needs to be protected.

2. If an owner borrows money for construction, often each month they will only borrow 90% of the construction value during that month. The other 10% is not funded until the end of the job. If an owner is insolvent and the bank forecloses on the property, I never get my retainage that the bank is holding. I’ve done the work. The property is improved. I’ve lost my 10%.

3*.* ***An owner should be required to set aside the 10% retainage each month in a trust account, or post a bond. The trust account or bond is for the benefit of the people doing the construction work. A lender should not be enriched on the backs of the subcontractors!***