

# Allen Edwin Homeowner Manual

## Section I

# SELECT

Congratulations on purchasing your new Allen Edwin Home. Allen Edwin Homes has developed a three part manual that over the next several months will provide you with important information about the process you will go through: the first phase is configuring your new home (Select); the second phase is construction of your new home (Build); the third and final phase is living in your new home (Live). At the beginning of each phase you will receive the necessary manual. You are required to bring this manual to all Allen Edwin appointments and visits.

Select is an exciting part of this process. It's the stage where your desires meet your budget to create a home that is uniquely you. At Allen Edwin, the upfront preparation and selection process allows us to build the home of your dreams. This manual will guide you through the process of designing your new home, from initial financing and qualifications, through design elements and selection. It will help you understand what to expect from us in the selection process, and what decisions we'll need from you to design a home that truly fits your life style, inside and out.

We are delighted to have you as part of our extended Allen Edwin family, and we look forward to working with you to uniquely design and build your home.



We value what you value.

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# New Home Time Line

## Time Commitments

Throughout the process of building your new home, there are important meetings you will need to attend during the business hours of 8:00 am to 5:00 pm, Monday through Friday. Please be prepared to take time off work for these meetings.

Event	Time Between	Description
<b>Purchase Agreement &amp; Earnest Money</b>		Set appointment for mortgage application within three days. Your home purchase cannot proceed forward without a loan approval.
<b>Preview Selections at New Home Showroom</b>	Immediate	You will need to begin previewing selections and receive a copy of the options catalog at the New Home Showroom as soon as you sign a Purchase Agreement. Your final selections appointment can not be scheduled until you have previewed the NHS, and received a copy of the options catalog and completed the loan pre-approval process... (Please see map, directions and business hours included in this manual.)
<b>Mortgage Application</b>	3 days	Meet with mortgage company. Be sure to bring all required documents.
<b>Loan approval</b>	15 days* <i>* Average time varies per homeowner</i>	Your mortgage company is required to send Allen Edwin a letter of loan approval. Switching lenders after loan approval may dramatically delay your closing and result in additional costs. All lenders must be approved and send complete detailed information concerning your loan approval
<b>Lot Transfer</b>	Within 2 weeks of loan approval	Upon receipt of your loan approval letter, a selections center representative will contact you to schedule an appointment to complete your lot transfer. Closing costs will need to be paid to the title company at time of lot transfer. The lot transfer requires about 30 minutes to complete. <b>No changes may be made after this point.</b> This appointment will take place at the New Home Showroom before or after your selections appointment.
<b>Finalize Showroom Selections</b>	Within 2 weeks of loan approval	Upon receipt of your loan approval letter, completion of your preview at the NHS and receipt of your options catalog, a selections center representative will contact you and schedule your final selections appointment. <b>THIS APPOINTMENT WILL NEED TO BE COMPLETED WITHIN 2 WEEKS OF LOAN APPROVAL. Appointments are completed Tuesday-Saturday during normal business hours and are approximately 2 1/2 hours in length. There are a limited number of Saturday appointments available on a first come, first served basis. <u>Please plan on taking a 1/2 day off work.</u> No changes to your home are permitted once final selections are completed.</b>
<b>Site Engineering, Architecture &amp; Estimating</b>		Allen Edwin uses the selections you've completed and prepares the floor plans and paperwork required to build your home. No time is required from you for this process.

# Key Contacts

In this section we will introduce you to the people who will be assisting you through the loan approval and the selection process of your home. Also, we will explain how each individual can help you and how to contact them.

## **Sales Counselor**

What can they do for you?

- Primary point of contact
- Answer your questions and concerns
- Assist you in communicating with your mortgage company
- Prepare you for closing on your home
- Communicate with you weekly once you begin home construction

How can you contact them?

- For regular communication, call the Model Center or your sales counselor. Please leave a voice mail and your call will be returned within one business day.

## **Mortgage Representative**

What can they do for you?

- Determine maximum loan qualification
- Answer your questions and concerns regarding financing
- Produce a loan approval letter for you
- Assist with final details concerning closing on your home

How can you contact them?

- For regular communication contact the lender of your choice directly or you can call your Sales Counselor for assistance.

## **New Home Showroom Consultant**

What can they do for you?

- During open hours New Home Showroom (NHS) consultants will guide you through all of the available selection options.
- NHS consultants are your expert guides, helping to create the home of your dreams while working within your desired budget.
- NHS consultants will contact you to schedule your selections appointment.

How can you contact them?

- You may contact the Allen Edwin NHS at (616) 878-1748. If there is no answer, please leave a detailed voice mail message including your name, community, lot number and the best number to reach you.

## Our Commitment to You

Building a new home is one of the most important steps you'll take toward building your future. We're here to help you get there, and to make sure you have a fun and exciting experience along the way.

As your Sales Counselor, I pledge to:

- Set clear expectations about the homebuilding process
- Be responsive to your needs and answer any questions about your new home
- Go the extra mile to ensure your satisfaction and to earn your loyalty and trust
- Make you feel part of the Allen Edwin family
- Be helpful and friendly
- Return your calls within 24 hours
- Call you every week with updates once your home begins framing

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Sales Counselor's Signature

\_\_\_\_\_  
Date

# Top Customer Expectations

- Please submit loan application within three days of Purchase Agreement. You have up to 15 days to obtain an acceptable loan approval.
- In the event you do not obtain an acceptable approval, you may be eligible for the Home Buyer's Club. Please see your Sales Counselor for more information.
- We recommend using a Preferred Lender who is familiar with Allen Edwin's processes. Preferred Lenders provide quick loan approval and minimize the opportunity for potential problems. Your Sales Counselor will provide you with a list of Preferred Lenders.
- If using a lender other than a Preferred Lender, you will need to have the lender complete a loan approval checklist, and you must personally help in monitoring the progress of your loan to ensure the lender meets the closing deadline.
- If you choose to switch lenders once you have been pre-approved, be aware that it may delay your closing, the receipt of your keys, and may cause you to incur additional costs.
- Your framing priority is set on the date of receipt of an acceptable loan approval from your lender. This priority is contingent upon meeting the schedule dates for lot transfer and selections completion.

## **Personalizing Your Home**

### **Contract Change Orders**

- Requests for changes to the contract (plan, elevation, lot, structure, and foundation selections) must be made prior to lot transfer.
  - Please note: Requests for contract changes are *modifications* to the original Purchase Agreement and do not change the binding nature of the agreement.
- All Contract Change Orders must be submitted to your Sales Counselor.
- All contract change requests are subject to approval by Allen Edwin.

### **Lot Transfer**

- Be prepared to pay, by certified check or money order, any additional earnest deposits required based on the loan program established by your lender.
- No changes can be made after this appointment.
- Documents will be signed on the same day as your Selections appointment at the New Home Showroom.

### **Finalizing Your Selections**

- A NHS consultant will contact you within one (1) business day of signing the purchase agreement to invite you to visit the New Home Showroom during open hours.
- Please arrange to preview the New Home Showroom within the first week of completing your Purchase Agreement. You are required to visit the New Home Showroom and obtain an options catalog prior to scheduling your final selections appointment. No appointment is necessary to visit the NHS during hours open to the public. Allen Edwin encourages you to visit the NHS as often as you find necessary to feel confident with your NHS selection options decisions.
- After you receive your options catalog a NHS consultant will contact you within three (3) days of loan approval to schedule your selections appointment. Your selections appointment cannot be scheduled until after you have visited the NHS and received your copy of the options catalog.

- Appointments are scheduled Tuesday through Saturday only and are approximately 2-1/2 hours long. Please be aware that there are a limited number of evening and Saturday appointments available so it may require you to take a half-day off work to finalize selections.
- Selection appointments must be completed within fifteen (15) days of loan approval. You are required to bring your completed options catalog and this manual to your final selections appointment.
- Please make every effort to be prepared to finalize selections during your 1<sup>st</sup> scheduled appointment at the New Home Showroom. This will save you the inconvenience of having to take additional time off work.

**After Finalizing Your Selections**

- Once your Selections have been finalized, the closing department will mail you and your lender a settlement statement reflecting the new contract price and all deposits received by Allen Edwin.
- Your frame start is contingent upon finalizing your Lot Transfer and Selections. Once the Lot Transfer and Selections are finalized, we will immediately begin creating the architectural drawings for your home based on the selections you have made.

**CRITICAL CUSTOMER DEADLINES**

<b>All Plan Series</b>	
<b>Contract Change Requests</b>	<ul style="list-style-type: none"> <li>• Submitted prior to lot transfer.</li> </ul>
<b>Lot Transfer</b>	<ul style="list-style-type: none"> <li>• Upon receipt of your loan approval letter, a New Home Showroom Consultant will contact you to schedule an appointment to complete your lot transfer.</li> <li>• Lot Transfer will occur 30 minutes before/after your selections appointment.</li> </ul>
<b>NHS - Selections</b>	<ul style="list-style-type: none"> <li>• Upon receipt of your loan approval letter, completion of your preview at the NHS and receipt of your options catalog, a NHS Consultant will contact you to schedule your selections appointment.</li> <li>• Your selections appointment must be completed within 15 days of loan approval</li> </ul>

## **Building Your Home**

- There may appear to be a “lull in the action” between completing your selections and the start of framing. Rest assured that work is going on behind the scenes to get your home started. It is important to note that the pouring of your foundation does not constitute the beginning of your construction schedule. This is done to make sure that we can begin framing your house on the scheduled day.
- A very important and informative **New Home Review Meeting** will be scheduled and must be completed before your home begins framing. Allow a minimum of one half day to complete this meeting.
- Once construction begins, the Customer Manager will be available to answer any questions or concerns you may have regarding the building of your home. Your Sales Counselor will also be communicating with you weekly.
- During the construction process, you have the opportunity to contact the Customer Manager. Please e-mail or fax any questions you may have for the Customer Manager. They will respond to your question within one business day of receipt of your question.
- Allen Edwin will build your home to the same finish standards demonstrated in the model homes and as specified in your Homeowner Manual Section III: Live.

## **Closing on Your Home**

- **Approximately 30 days prior to completion of your home, you must contact your lender. It is your responsibility to ensure your lender has all the proper documentation.** Please verify with the lender that your loan will be ready to close in approximately 30 days and whether or not the loan is being documented as a refinance. If your loan is going to be a refinance, please be aware that you will not receive your keys and occupancy to your home until the loan funds are disbursed (3 business days from closing).
- The Closing Department will call you 1-2 days after you schedule your Homeowner Orientation with the Customer Manager. The closing will be scheduled for the second business day after your Homeowner Orientation or as soon as possible thereafter.
- If your closing does not take place within 3 business days of the completion of your home, there will be a \$50 per day extension fee added to the amount due at closing.
- Please prepare for your move – notify landlords, utility companies, movers, employers, etc. To assist with this, a letter will be sent to you with the contact information for the utility companies. **Please do not commit to any dates prior to receiving a firm closing date from the Closing Department.**

## Warranty on Your Home

- Your home will be built and warrantied according to the standards established by the RWC Customized State Warranty for New Homes.
- Roof leaks or plumbing leaks can cause severe damage to your home if not addressed immediately. If you experience a plumbing leak, contact your designated plumber immediately. For all other leaks such as windows, contact the warranty department within 24 hours.
- With the exception of emergency situations, all warranty requests must be submitted on-line or in writing to the Warranty Service Department.
- Please review the “Most Common Service Requests Not Covered by Warranty” sheet prior to contacting the Warranty Service Department.

## Time off Work

Please note: Times do not include travel time.

- The following steps in the building process will require additional time.
  - Loan Application (1 hour)
  - Lot Transfer and New Home Showroom Selections (2-4 hours)
  - New Home Review Meeting (2-3 hours)
  - Homeowner Orientation (2-3 hours)
  - Closing (1 hour)
  - Any Warranty inspection and repair (1/2 day each)

## Workdays/Non-Work Days

A work day occurs Monday through Friday, excluding holidays. A work day must also have weather conditions that allow for work to progress for a typical framing and foundation trade contractor. We use framing and foundation trade contractors for the criterion, because in most cases if they can work, then other trade contractors can work as well.

If the weather is rainy, bitterly cold, extremely windy or excessively hot, Allen Edwin Homes will call an official "Non-Work Day" and scheduled contractor work for that day will be cancelled.

# Financing

In this section we will introduce you to the steps to complete your financing and answer frequently asked questions.

## Steps to Completing Financing

1. Review the “What You Need to Take with You to Your Mortgage Counselor” sheet provided in the back of this section. All of the listed documents and information need to be collected and taken to your mortgage application appointment.
2. Within three days of signing your purchase agreement, you must meet with your mortgage representative to make loan application. We strongly urge you to work with one of our preferred lenders. Our preferred lenders have proven to do the best job in providing our customers with low interest rates, low closing costs, and high customer satisfaction.
3. Your Mortgage Counselor will work with you to obtain a loan approval on your new home. In addition, they will provide you with information on how much money you can spend on selection upgrades. Finally, they will produce a loan approval letter that will be given to Allen Edwin to confirm your ability to buy your new home.
4. You have 15 days to obtain an acceptable loan approval from your lender. In the event your loan approval is not obtained within 15 days, we reserve the right to cancel your purchase agreement and to put the home site back on the market. In this case, your Sales Counselor will give you guidance on how to join the Home Buyer’s Club (HBC). The HBC’s goal is to help you buy your new home within 12 months. In addition, Allen Edwin offers price protection on a new home if purchased within 12 months.
5. Your framing priority is set on the date of receipt of an acceptable loan approval from your lender. This priority is contingent upon meeting the schedule dates for lot transfer and selections.

# Frequently Asked Questions about Finance

## 1. How long does it take to get loan approval?

Loan approval can take a matter of hours or it can take a few months. Typically, it takes about two weeks to complete the entire loan approval process.

## 2. What documents do I need to bring for my loan application?

An information sheet entitled “What You Need to Take with You to Your Mortgage Counselor” has been provided in this section. This sheet advises what documents you need to bring to your loan application meeting.

## 3. What do I do after I’ve made my loan application?

First, provide any needed information immediately to your mortgage company. It will then be necessary to wait for your loan approval letter from your mortgage company. Upon receipt of the loan approval, you can go to the Allen Edwin New Home Showroom to complete your lot transfer and selections. There you will have the opportunity to choose your desired color choices and any selection upgrades. We encourage you to visit the Allen Edwin New Home Showroom as often as you like.

## 4. When can I lock in my loan rate?

The decision to lock in a loan rate is strictly a matter between you and your mortgage company. Although a closing date cannot be guaranteed, your home will close approximately 45 working days from the start of framing. You will be contacted weekly by your Sales Counselor throughout the construction process of your home in order to plan for your potential closing time and loan decisions. Please consider non-work days when making your decisions. Please contact your Sales Counselor prior to locking in a loan rate to discuss if the timing is right for you to do so.

## 5. Are the deposits I give Allen Edwin up-front part of my down payment?

Yes, the deposits you give Allen Edwin are credited back to you at closing. The deposit amount required prior to construction will be determined by the loan program you choose. A settlement statement reflecting your contract price, all upgrades made at the New Home Showroom, and all deposits received by Allen Edwin will be sent to you shortly after your selections appointment and again about 30 days prior to closing. It is recommended that you contact your lender to discuss the monies owed at the time of final closing.

## 6. Can I use a non-preferred lender?

You can use a lender of your choice, but we will only recognize conditional loan approvals from an approved lender. Work with your Sales Counselor to see if that lender qualifies under our approval guidelines. Again, for the smoothest possible transaction we recommend the use of our preferred lenders.

Some non-preferred lenders may underwrite your mortgage as a refinance instead of a purchase. If your loan is treated as a refinance, your lender will not provide funding for three business days. The keys and occupancy to your new home will not be available to you until the title company receives your loan funds.

## 7. Can I change lenders after receiving my loan approval?

If you change lenders during the construction process, notify Allen Edwin's Closing Manager immediately. Your new lender must furnish a loan approval using Allen Edwin forms before a change can be made.

***\*Note: Lender changes that are made during the last 30 days of construction will generally cause a delay in your closing. Delays in closing caused by you or your lender will subject you to a \$50.00 a day extension fee. (Interest carrying charge)***

## 8. If I do not use an approved lender what additional responsibilities do I have?

It is the responsibility of the homebuyer to take a more hands-on approach to ensure that we receive your loan approval letter. Most mortgage companies are not accustomed to working within such short turn-around times. The lack of timely response by your lender may delay the start of construction on your home. The responsibility lies with you to get your loan approval letter to us, using an Allen Edwin form. We cannot begin the process of building your new home until we receive your loan approval letter on the appropriate Allen Edwin form. All loan approvals submitted by non-preferred lenders are subject to review and acceptance by Allen Edwin Homes.

Please find enclosed "Notice of Loan Application" and "Loan approval Checklist" at the end of this section when using an outside lender. Please have these filled out and faxed to our office at 1-269-321-0477.

## 9. Why not make selections before receiving our financial loan approval?

When you receive your loan approval you will be notified of the money available for your selections at the New Home Showroom. This allows you to stay within your budget and make appropriate decisions.

## **10. When can I complete my selections at the New Home Showroom?**

After signing a Purchase Agreement, you are required to visit the New Home Showroom and obtain an options catalog prior to your final selections appointment. It is very important that you visit the NHS during open preview hours to review the options available to you. After you visit the NHS, receive your options catalog and we have received notification of your loan approval from your lender, a NHS consultant will contact you to schedule your final selections appointment. You will have 15 calendar days to finalize your selections. Final selection appointments are scheduled Tuesday – Saturday. Please be aware there are a limited number of evening and Saturday appointments available. Often it is necessary to take a ½ day off work to finalize your New Home Showroom Selections.

## **11. How can I find out what I can afford to spend at the New Home Showroom?**

Your mortgage company should send to you, via the mail, a loan approval letter indicating the amount of money available for you to spend on upgrade selections and changes. After scheduling your final selections appointment, you will receive an appointment confirmation letter. This letter will confirm the scheduled date and time of your lot transfer and final selections appointments. More importantly, this letter will state your pre-approval amount, your contracted sale amount, and the total amount available for your selections and options to personalize your new home.

# Mortgage Process Overview

This section will help you prepare for your mortgage appointment and help avoid any delays in receiving your loan approval.

## What You Need to Take to Your Mortgage Appointment

- **Income**
  - One month of pay stubs & W-2 forms from the last two years.
  - If you are self-employed or commissioned, signed tax forms with schedules & YTD profit & loss statement from the last two years.
  - Names, addresses, and phone numbers of all employers for the past 2 years.
  
- **Assets**
  - Previous 2 months' statements for all bank accounts (Document any large deposits, 401k, IRA)
  - Money market statements
  
- **Creditors (open accounts and loans)**
  - Account numbers, current balances & monthly payments (Ex. Credit cards, student loans, car payments)
  
- **Landlord Information**
  - Names, addresses & phone numbers of all landlords for the past 2 years
  - Addresses and loan information for other real estate owned
  
- **Bankruptcy**
  - Bankruptcy discharge with all schedules
  - Letter explaining circumstances that led to the bankruptcy
  
- **VA Only**
  - DD214, Military discharge papers
  - Certificate of Eligibility
  
- **Divorce Decree (if applicable)**
  - Property settlement agreement, quit claim deed & final decree
  - If paying/receiving alimony support, need 3 month history
  - If receiving child support, need 3 month payment history from Child Support Services

# Helpful Do's and Don'ts for the Mortgage Process

## **DO**

- ✓ **DO** keep originals of all pay-stubs, bank statements and other important financial documentation. Your mortgage company is required to update any documents that are over 30 days old prior to the closing of your mortgage loan. (This is required even if your loan is approved.)
- ✓ **DO** provide all documentation for the sale of your current home (i.e.: sales contract, closing statement, employer relocation/buyout program).
- ✓ **DO** notify your Loan Officer if you plan to receive gift funds for closing costs.
- ✓ **DO** notify your Loan Officer of any employment changes (i.e.: change of employer, recent raise/promotion, transfer, change of pay status, such as salary to commission scale, etc.).

## **DO NOT**

- X **DO NOT** change jobs/employer before inquiring about the impact this change would have on the approval/approvability of your mortgage loan.
- X **DO NOT** make major purchases during or prior to closing (i.e. new car, furniture, appliances, electronics) as this may impact your qualification ratios. Please confer with your Loan Officer to have him/her calculate what your ratios would be with any additional debts.
- X **DO NOT** obtain and/or deposit unusually large sums of money without notifying your Loan Officer. FHA/HUD guidelines require documentation as to the source of these funds (i.e.: copy of bonus check, copy of tax refund, copy of insurance settlement, gift letter with copy of check and deposit slips, etc.)
- X **DO NOT** close/open or transfer any asset accounts without inquiring about the proper documentation required for your loan file (i.e. if you transfer all the funds in your stock account to your savings account, documentation is required.).
- X **DO NOT** open or increase any liabilities, including credit cards, signature loans, etc., during the loan process. Please check with your Loan Officer for any documentation that will be required and what impact this would have on your qualification ratios.

# Allen Edwin Lender Requirements

## Loan Approval

1. Require pre - approval within 15 days of executed contract.
2. Conditions from legitimate underwriter:
  - a. FHA / VA automated approval
  - b. FHA manual signed by DE licensed underwriter
  - c. DU or LP automated approval
  - d. Investor approval signed by underwriter
3. The underwriting approval must be based on a review of a complete 1003, credit, and income & asset documentation.
4. Require completed **Lender / Loan Pre-Commitment Form**  
The buyer will not be considered pre-approved until underwriter approval with condition and lender/loan pre-commitment form is received and accepted by Allen Edwin's Closing Department. Please fax to 269-321-0477.

## Closing

1. If applicable, sod & landscape escrows may be held until July 1<sup>st</sup>. For homes closed during the four summer months, sod is generally laid within 2 weeks after closing. For winter months, sod is laid once weather permits. On occasion, sod may be required to be laid prior to closing based upon the type of mortgage loan, municipality requirements, or weather. Your Customer Manager will provide you the details on these occasions. Lender or Title Company must hold all escrows.
2. Your lender will order the final inspection from the appraiser upon receipt of the certificate of occupancy.
3. You must be able to close within 72 hours of notification of completion.
3. Closing package must be delivered by your lender to Devon Title Company 24 hours prior to the scheduled closing date & time.
4. Allen Edwin Homes will charge customers a \$50/day fee for delays in closing starting on the 4<sup>th</sup> day after completion of the home. If you have any questions or are unable to meet the above requirements, please call the Closing Manager at (269) 321-2600 to discuss further options.
5. If your lender treats the closing as a refinance, the keys to the home will be given to the customer upon funding of the loan, not at closing. The funding of a refinance loan takes place after a 3-day rescission period. The keys and occupancy to your new home will not be available to you until the title company receives your loan funds. The \$50 a day carrying charge will be assessed during the rescission period.

# Loan Pre-Commitment Form

Buyer name(s): \_\_\_\_\_

Community & Lot# \_\_\_\_\_

Lender	_____
Loan Officer	_____
L. O. Phone Number	_____
E-mail address	_____

**Documentation Program Circle One:**

Full Doc    Stated Doc    Other \_\_\_\_\_    Loan Application Date: \_\_\_\_\_

**Loan Type Circle One:**

FHA    VA    MSHDA    Rural Dev    CLTV \_\_\_\_\_ %

Conforming (Fannie/Freddie)    Non-Conforming (Alt A)    Sub-Prime

Buyers Credit Score:    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Co-Buyers Credit Score:    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Debt Ratios: Front \_\_\_\_\_ Back \_\_\_\_\_    Re-Run Credit \_\_\_\_\_

After the loan approval is accepted, the buyer will be invited to the Selection Center for final selections. This will likely raise the sales price. Please provide a maximum sales price using an interest rate of ½% higher than the current market rate to allow for rate fluctuation during the build process.

Maximum Sales Price : \_\_\_\_\_ ( not including closing costs)

Current Market Rate: \_\_\_\_\_

AE to Pay: \_\_\_\_\_

Max Interest Rate at Max Sales Price: \_\_\_\_\_

Primary Residence:    YES    or    NO

Self Employed:    YES    or    NO

Verified Funds	_____
Cash to close	_____
Required Reserves	_____
Net (excess)	_____

Is your approval contingent on sale of current home? YES / NO    Lease? YES / NO

Conditional close date: \_\_\_\_\_

Reason for conditional close date: \_\_\_\_\_

---

Signature: \_\_\_\_\_

Title: \_\_\_\_\_    Date: \_\_\_\_\_

(Must be signed by an underwriter)

**CLOSING PACKAGE MUST ARRIVE AT DEVON TITLE 24 HOURS PRIOR TO THE SCHEDULED CLOSE DATE & TIME. \*\*\*\***

**\*\*\*POSTPONED CLOSING DATES WILL BE SUBJECT TO \$50 PER DAY CARRYING CHARGE.**

# Home Buyer's Club

At Allen Edwin Homes, we believe that it is not a matter of "if" you can own an Allen Edwin home; it is a matter of "when." To achieve that reality, we have created the Michigan "Home Buyer's Club" (HBC).

The HBC offers services to assist the members in purchasing a new home from Allen Edwin Homes (Builder) and you will be assigned an HBC Representative (an employee of Allen Edwin Homes) to help with the process. The purpose of the HBC is to offer joint cooperation in resolving "Conditions" of lender mortgage pre-approval.

## The Members agree to:

- 1) Seek mortgage pre-approval through a lender designated by the HBC representative
- 2) Authorize the lender to disclose credit and mortgage underwriting information to Allen Edwin Homes for use in HBC qualification process.
- 3) If recommended by the HBC representative, authorize Allen Edwin Homes to disclose credit and mortgage underwriting information to appropriate partners.

To secure membership in HBC, Member acknowledges that their earnest deposit will remain with Allen Edwin Homes for the Member's duration of membership with the HBC. Upon satisfaction of the Conditions, the earnest deposit will be applied toward an agreement to purchase real estate available through the Builder. If the conditions are not resolved within three hundred sixty (360) days from the date of membership, Member and Builder agree to release each other from the agreement and Builder will refund the earnest deposit paid under the Agreement to the Member, less any fees paid to appropriate partners. Deposit will be held by the Builder if the Member has entered into any agreement to purchase real estate from anyone other than the Builder.

Additional Conditions created through the deliberate act of the Member that further impairs their credit worthiness or ability to fulfill the obligations constitute a breach of the terms of this Agreement and will result in the Member's forfeiture of the Deposit.

## How do You Join?

In the event that a full pre-approval is not obtained within 14 days of a signed Purchase Agreement, your Allen Edwin Sales Counselor will give you guidance on how to join the HBC. The HBC Representative's goal is to help you position yourself to own a new Allen Edwin home. Being a member of the HBC offers pricing protection for up to 12 months. From the time you join the HBC, your pricing protection is as follows:

Duration in HBC		Max% Price Increase
0-60	Days	0%
61-120	Days	1%
121-180	Days	2%
181-360	Days	3%

Your earnest deposit will be retained by Allen Edwin Homes for the duration of your membership in the HBC.

## **Buy & Save Program - Save As You Go**

Allen Edwin Homes offers a unique program called "Buy and Save." This program is designed for buyers who, as a Condition of pre-approval, don't have necessary funds for their down payment, closing costs, or required reserves. After the lender identifies the amount of money necessary to close, the Builder, at its sole discretion, may agree to allow the Buyer into the Buy and Save Program.

The funds necessary to close will be broken down into monthly installments. The Buyer agrees to provide Builder each monthly installment on or prior to the due date identified on the Buy and Save Program Agreement. If a Buyer fails to meet any of the monthly obligations, the Buyer will be considered in breach of the Agreement and the Builder will retain the earnest deposit and all installments received to date.

Upon successfully entering into the Buy and Save Program, the Builder agrees to allow the Buyer into the normal construction cycle. The program is designed so that at or near completion of the Buyer's home, builder will have received the full amount of funds that the Buyer needs to close. The start of construction will be delayed sufficiently to allow completion to coincide with the final installment from the Buyer.

# Personalizing Your Home

In this section we will explain the steps needed to complete your Lot Transfer and New Home Showroom appointment. In addition, we will review the New Home Showroom timeline and frequently asked questions specific to this step in the building process.

## **New Home Showroom Previewing and Appointment Timeline**

1. The New Home Showroom is open 3 days a week (see schedule below) for you to preview your selections option catalog. You can pick up your options catalog as soon as you sign your Purchase Agreement, so you can begin making your selection decisions. The next step is receiving notification of your loan approval.
2. While finalizing your loan approval, it is important that you visit the New Home Showroom to receive your copy of the options catalog and to preview the options available for personalizing your home. Previewing will familiarize you with the selections process and allow time for you to ask questions about the process and available products. **You are required to preview the New Home Showroom prior to your final Selections appointment to ensure adequate time to review your personal choices.** Some homebuyers find it helpful to preview the New Home Showroom 3-4 times prior to the New Home Showroom Final Selections appointment. It will be up to you to determine the number of visits to the Showroom you feel are necessary to be comfortable with your choices.
3. After you have received a copy of your options catalog and Allen Edwin receives notification of your loan approval, you will be contacted by a NHS consultant to schedule your Lot Transfer and Final Selections appointment. Lot Transfer and Final Selections are done on an appointment basis only. Time slots are limited and available on a first come, first serve basis.

### New Home Showroom Preview Hours

Wednesday and Thursday	4 – 8 pm
Saturday	12 – 5 pm

4. You may preview the NHS during open hours. We will make every attempt to schedule your Lot Transfer and New Home Showroom Selections appointments in a timely manner. It may be necessary for you to take time off work for these appointments. Please be prepared to make those arrangements. We will schedule 30 minutes for the Lot Transfer and two and one half hours for your Final Selections appointment.
5. Lot Transfer and New Home Showroom Selections appointments must be scheduled within 3 days of the receipt of your loan approval and completed within 15 calendar days of your loan approval.

# Lot Transfer Appointment

1. The following items are needed to complete your Lot Transfer appointment:
  - All individuals included on the contract must sign at closing
  - Drivers license for each individual
  - Personal check made payable to Devon Title for the amount of the closing fees
  - Certified Check for additional earnest deposit monies (if applicable)
2. Your Lot Transfer appointment will be scheduled once Allen Edwin receives and approves your loan approval from your lender.
3. Your Lot Transfer appointment will take place at Devon Title, in the same building as the New Home Showroom, 30 minutes before or after your selections appointment.
4. At the Lot Transfer closing, your home site will be deeded to you. You will be asked to sign two notes, two mortgages, and a grant of easement. The notes and mortgages will be at zero percent interest (0.0%) so there will be no interest cost charged to you. By signing the notes and mortgages, you are simply agreeing to pay Allen Edwin upon the completion of your new home. The Grant of Easement allows Allen Edwin and its trade partners to come on to your home site to build your home. All of these documents will be discharged at the Final Closing of your new home.
5. Once you have completed the Lot Transfer, you will be responsible for all future property tax bills. You will receive a credit towards the property taxes from Allen Edwin for the number of days from January 1<sup>st</sup> to the date of your lot transfer. This credit will be applied to your closing costs. Any excess will be given to you in the form of a check by the title company. If Allen Edwin has already paid the property taxes, the title company will calculate your portion of the taxes from the date of closing to December 31<sup>st</sup>. This charge will be added to your closing costs.
6. There will be closing costs charged to you at the Lot Transfer. These include a closing fee, recording fees, and condo fees, if applicable. The closing costs are approximately \$375 **before** any tax credits or charges. The title company will give you a total amount due and explain the calculation used at your Lot Transfer appointment. The title company will accept personal checks for the amount due.

# New Home Showroom Selections Appointment

1. You are required to bring the following items to your Final Selections Appointment:
  - A Selections options catalog noting your decisions.
  - This Homeowners Manual.
  - Knowledge of your maximum loan allowance.
2. We will walk you through each step of the NHS Selections process and record each option that you have selected in your options catalog. A selection summary will be printed for your review and signature. Once you have signed your selection summary, it becomes part of your Purchase Agreement. The selection summary is the order form for the product that will be used in the construction of your home, not the options catalog. Again, we recommend you preview the New Home Showroom several times to become familiar with the selections process and options available for you to personalize your home.
3. Please be advised, **ONLY VERY LIMITED CHANGES** to your selections can occur after your Final Selections appointment. The items that can be changed are: adding an irrigation system or additional sod to complete lawn. No other changes are allowed.
4. Your frame start priority is contingent upon finalizing New Home Showroom Selections within 15 days. If you have a conditional close, you will be contacted accordingly to make your appointment prior to the start of production for your new home.
5. Once you have finalized your New Home Showroom Selections, the reality of your home begins! We start by producing architectural prints, ordering the site plan and building permits, and ordering the products you selected. By the time actual construction of your home begins, the majority of these tasks will have been completed. For this reason, please be advised, **only very limited changes** to your selections can occur after your Final Selections appointment. This is why we ask you to make modifications to your plans prior to finalizing your Selections.

Remember time is of the essence. It is to your benefit to complete selections within 15 days of your loan approval. This will increase the likelihood that all of the options that were available when you previewed the New Home Showroom will be available at the time of the appointment. Options and pricing are subject to change without notification. In order for Allen Edwin to ensure the most current and up-to-date products at the most affordable pricing available, it is sometimes necessary for the New Home Showroom options availability to change.

# Frequently Asked Questions about Personalizing Your Home

## **1. When can I complete my NHS selections?**

After signing a Purchase Agreement, it is very important that you visit the New Home Showroom to pick up a selections options catalog and preview the choices offered to you. After you have received your copy of the options catalog and Allen Edwin has received notification of your loan approval from your lender, a New Home Showroom Consultant will contact you to schedule the appropriate appointments. You will have 15 calendar days to finalize your selections. New Home Showroom Selections appointments are scheduled Tuesday – Saturday. Please be aware there are a limited number of evening and Saturday appointments available. Often it is necessary to take a ½ day off work to complete New Home Showroom Selections.

## **2. What happens after my selections have been made?**

Once you have completed New Home Showroom Selections, we begin producing architectural prints, ordering the site plan and building permits, as well as ordering the products you have selected in the New Home Showroom. The next step will be attending a New Home Review meeting with the Customer Manager at your construction site. The New Home Review meeting will be held around the start of framing on your home. During your New Home Review meeting, you will review all the selections you made for your home and the construction timeline and building process. Please be sure to take copies of all your New Home Showroom paperwork to this meeting to ensure all of your selections are accurate.

## **3. How can I find out what I can afford to spend at the New Home Showroom?**

After scheduling your final selections appointment, you will receive an appointment confirmation letter. This letter will confirm your scheduled appointment date and time. More importantly, this letter will state your pre-approval amount, your contracted sale amount, and the total amount available for your selections options to personalize your New Home.

#### 4. When will the construction of my home begin?

After you have completed these six important steps:

	Action	Time Frame
Step 1	Purchase Agreement & Earnest Money	3 days
Step 2	Preview Selections at New Home Showroom	Immediate
Step 3	Mortgage Application	3 days from signing Purchase Agreement
Step 4	Loan Approval	15 days from signing Purchase Agreement
Step 5	Lot Transfer and New Home Showroom Selections appointment	15 days from loan approval
Step 6	Architecture & Estimating	1-2 weeks

*Note: The pouring of your foundation does not constitute the beginning of your construction schedule.*

#### 5. Can I make changes to my home?

Once you have finalized your Lot Transfer and Selections, the technical preparation for building your home begins. This includes preparing architectural drawings, ordering materials, establishing labor costs, and ordering building permits. All of these activities are specific to your home based on the options you selected. By the time actual construction of your home begins, changes to your home, even seemingly simple ones, create significant risk for error and disappointment for our buyers. **For this reason, changes that can be made to your home at this point are very limited.** The Customer Manager will review with you during your New Home Review meeting what specific types of changes are possible and the deadline for those requests.

#### 6. What types of changes are possible?

The types of changes possible after Selections are finalized are very limited. The items that can be requested to be changed are:

- **Add an irrigation system**
- **Add additional sod to complete lawn**

Seemingly simple changes like these still require changes to orders to suppliers and labor trades as well as print revisions to ensure we accurately communicate to our trade partners what you have changed. Change requests for these items must be submitted by the Customer Manager using a Field Change Order. Change requests must be submitted by Workday 5 in order to provide adequate time for processing. After Workday 5 no additional changes can be made.

## **7. Why do I have to complete my New Home Showroom Selections within 15 calendar days of my loan approval?**

As part of your contractual agreement, New Home Showroom selections are to be completed within 15 calendar days from your loan approval. If you have a conditional close date, you will be contacted accordingly to make your appointment prior to the start of production for your New Home. The New Home Showroom options and pricing are subject to change without notification. In order for you to receive the options and pricing offered today, completing the appointments within 15 days from the pre-approval will help ensure options will be available for your home. In addition, because buyers complete their selections within the 15 day timeframe, we are able to give a steady volume of work to our Trade Partners at all times of the year regardless of season, which in turn allows them to provide their services at a lower cost to Allen Edwin. This is unusual in the construction industry which is often adversely affected by the weather and selling seasons. That savings is then passed on to our buyers in the form of We Value What You Value. In a sense, we are able to provide your home to you at an excellent value because you agree to participate in our streamlined building process.

## **8. Can I change my lot choice after my Lot Transfer appointment?**

No, all documents are prepared based on the home and lot you have chosen. At the lot transfer appointment, a deed is signed transferring the title to the lot into your name. This deed is recorded and notification is sent to the City/Township to show new ownership, so you cannot change lots after the lot transfer appointment.

## **9. Who is responsible for the property taxes after the lot transfer appointment?**

Once the lot transfer appointment is completed, the City/Township is notified of the change in ownership for your lot. All future property taxes that are assessed will be your responsibility.

## **10. Why do I have to sign notes and mortgages at my lot transfer appointment?**

By signing the notes and mortgages, you are simply agreeing to pay Allen Edwin upon the completion of your new home. The notes and mortgages will be at zero percent interest (0.0%) so there will be no interest cost charged to you. The notes and mortgages will be discharged at your final closing.

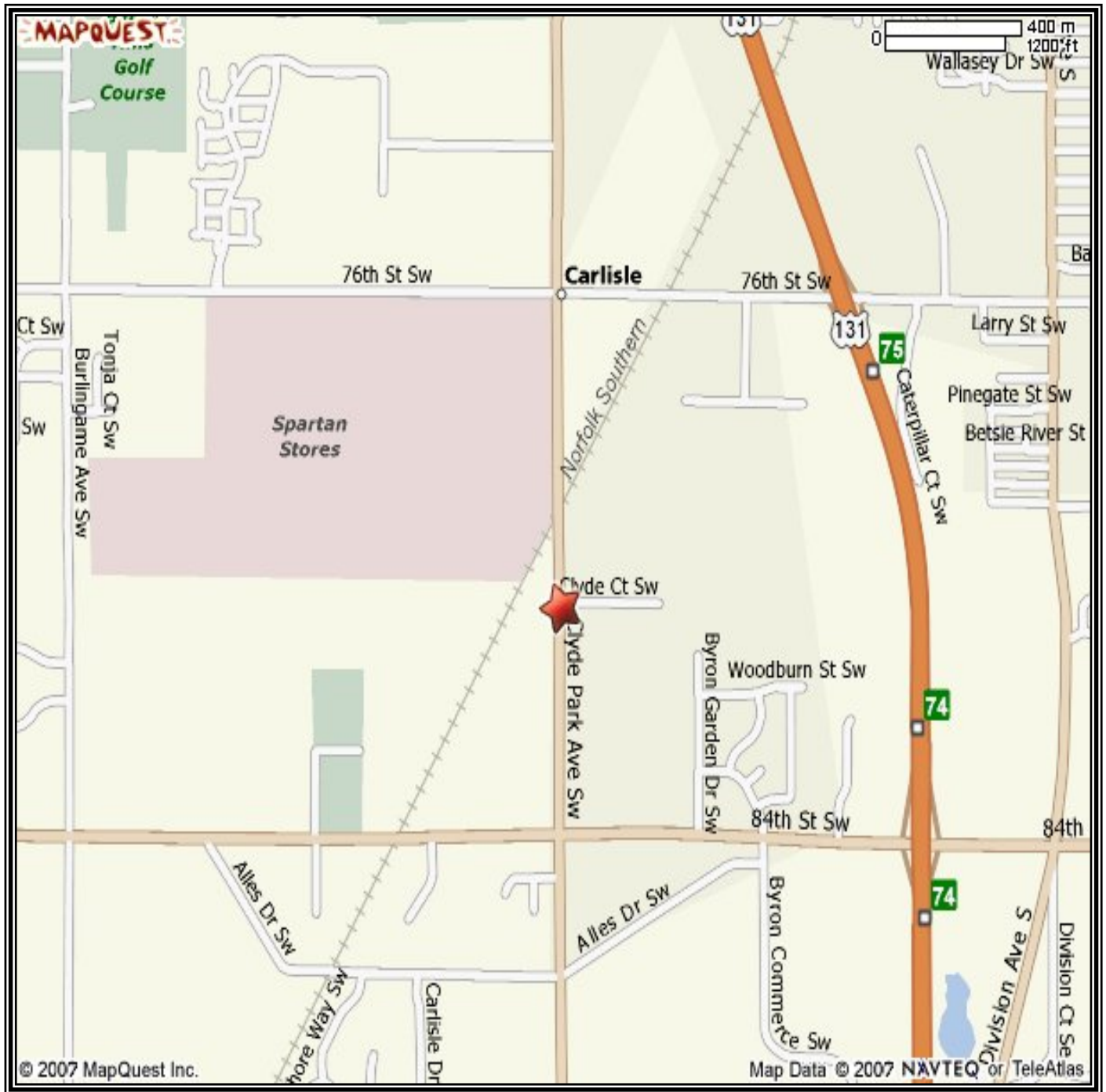
**11. What is a Grant of Easement and why do I have to sign this document?**

After the Lot Transfer appointment, you are the owner of the home site. The Grant of Easement allows Allen Edwin and their trade partners to come on to your home site to build your home without trespassing. Once your home is complete, the grant of easement will be discharged.

**12. How much will the closing costs be for my lot transfer appointment?**

There will be closing costs charged to you at the lot transfer by the title company. These costs start at approximately \$375 which includes a closing fee and recording fees and then are adjusted by the amount of property tax adjustment. The property tax adjustment is dependent on the season in which you close and the community in which you purchased your home. The title company will give you a total amount due and explain the calculation used at your lot transfer appointment. The title company will accept personal checks for the amount due.

# Directions to the New Home Showroom



## Directions

1. US 131 to 84th St. Exit
2. West on 84th St.
3. North on Clyde Park
4. Showroom will be on your right

Allen Edwin New Home Showroom  
795 Clyde Court  
Byron Center, MI 49315

Phone: 616.878.1748

Fax: 616.878.3645

### Preview Selection Hours

Wednesday 4pm – 8pm

Thursday 4pm – 8pm

Saturday 12pm – 5pm

# MOST COMMON SERVICE REQUESTS NOT COVERED BY WARRANTY

Tips, standards, solutions and preventative maintenance for frequently asked questions.

## Paint

Some paint will be left in your home. Use this paint to touch-up move-in nicks, scratches and other cosmetic damage not noted at the final homeowner orientation.

## Sod

**Sod** is a living organism that needs continuous care to survive. The livelihood of sod is dependent on nature and the homeowner. You will be provided information on how to care for your sod at your Homeowner Orientation.

## Scratches

**Scratches**, chips or mars in tile, woodwork, walls, floors, porcelain, brick, mirrors, vanity tops, counters and plumbing (tubs, showers, sinks, toilets) which are not noted at the final Homeowner Orientation are not covered by warranty.

## Caulk

**Caulking** is a homeowner maintenance responsibility. Shrinkage of interior and exterior caulk is common. Caulking will crack due to normal expansion and contraction of materials. Cracks that may form in exterior wood must also be caulked and painted. For best results, recaulk interior and exterior areas twice a year, spring and fall, especially those subject to moisture. By not caulking regularly, water infiltration areas can result, which may lead to mold which is not covered by the warranty. Exterior caulking is best done in warm weather.

## Flooring

**Floor Squeaks:** Some floor squeaks may be heard when walking on wood floor systems. This is to be expected and is not an indication of a construction deficiency. **Sub Floor Joints** it is not uncommon to see sub floor joint seams under vinyl flooring. It is accentuated when a full glue flooring is selected (i.e.: Congoleum, Initiator, etc.) Sub floor seams can be expected and are not considered a defect.

## Concrete Cracks

**Cracks** in concrete (driveway, sidewalk, patio, foundation) will occur as a result of normal expansion and contraction in the material due to changes in the weather. Such cracks are not an indication of a construction deficiency and will not impair the intended use of the concrete surface. However, within the first year, if settling causes cracks that exceed 1/4" width or 3/16" in vertical displacement, we will correct the defect by means of an appropriate joint filler up to 1/2". To protect concrete surfaces, avoid using de-icing materials. The safest material to use for traction is sand. **It is advisable to apply a high quality water repellent to the concrete in the summer each year to help protect the driveway from road and other chemicals your car may drip onto the concrete.** Information on high quality water repellents may be found in your Homeowner Orientation folder.

## Interior Trim

The **interior trim** of your home is a manufactured product called MDF. As with any other wood product, MDF can be damaged if exposed to moisture. If liquid is spilled on it or near it, it is important to wipe it up quickly to prevent raised areas. Use coasters to prevent rings and swelling on MDF surfaces.

## Brick

Cracks and chips in brick are common to masonry and are not a sign of a defect. Discoloration may occur due to weathering or innate materials. Expect bricks to have some mortar stain. Repeated cleaning can damage intended finish. Mortar used to bond bricks may crack due to shrinkage of the mortar and/or brick.

## Frozen Pipes

Frozen exterior water spigots, including garage spigots are not the responsibility of the builder. Water hoses, splitters, sprinklers, etc. should be removed from water spigots during cold weather. If any plumbing fixtures are located in the garage, do not leave the overhead garage door open during cold weather, or your pipes may freeze. Frozen or burst pipes will only be warranted if the temperature at the time of damage was zero degrees or above and if the failure was due to a building defect as stated in the Residential Construction Performance Guideline booklet. During extreme cold temperatures, set heat at a minimum of 65 degrees as well as open your kitchen and bathroom cabinet doors to expose the pipes to heat.

## Drainage

Maintenance of lawns, landscaping and drainage pathways is a homeowner's responsibility. Please review the established drainage carefully with your Customer Manager at the Homeowner Orientation. The homeowner is responsible for establishing ground cover of the rear yard in non-sodded areas in order to prevent washout.

Customer Signature: \_\_\_\_\_

Allen Edwin Homes Representative: \_\_\_\_\_

Community/Lot # : \_\_\_\_\_ Date: \_\_\_\_\_

## Buyer Commitment to Allen Edwin Homes

By signing this commitment, the Buyer understands they play a vital role in enabling Allen Edwin to keep its promise of providing an enjoyable building experience and a home that meets Model Finish Standards. The Buyer agrees to adhere to the time frames and standards listed below. The Buyer understands that failure to meet these requirements could delay the start of their home and put them in default of their Purchase Agreement.

Buyer agrees:

1. To make loan application within 3 days of Purchase Agreement.
2. To obtain a loan approval within 15 days of Purchase Agreement.
3. That any contract changes will be made prior to Lot Transfer and Selections appointment.
4. To preview the New Home Showroom within the first week of completing Purchase Agreement and to obtain a NHS Option Catalog.
5. To schedule Lot Transfer and New Home Showroom Selections appointments within (3) days of loan approval.
6. To complete Selections within 15 days of loan approval.
7. To bring the Select Manual to the selections appointment.
8. That no changes to selections occur once the Selections Option Addendum is signed.
9. If New Home Showroom Selections are not completed within 60 days of Loan approval, buyer will be in default of the Purchase Agreement.
10. To attend all required meetings as requested and during stated business hours of operation. (*See section: New Home Timeline*)
11. To close on new home within (3) business days after completion of the home.

Buyer acknowledges he/she has received and understands the expectations set in the Home Owner Manual Section I: Select

Buyer: \_\_\_\_\_

Date: \_\_\_\_\_

Buyer: \_\_\_\_\_

Date: \_\_\_\_\_