



# Allen Edwin Homes Expectations Manual

## Details

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At Allen Edwin Homes, we value what you value. The up front preparation and selection process is a fun and critical step in allowing us to build the home you deserve. The Allen Edwin Homes Expectations Manual will help guide you through the process of design, construction, and completion.

We are delighted to have you as part of our Allen Edwin Homes family, and we look forward to working closely with you to help you build your new Allen Edwin Home.



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## Steps to Your New Home and Time Line

Throughout the process of building your new home, there are important meetings you will need to attend during the business hours of **9:00 am to 5:00 pm, Monday through Friday**. Please be prepared to take time off work for these meetings.

### Phase 1: Prepare

Step	Event	Time Between	Description	Homeowner Action Completed
1.	<b>Purchase Agreement</b>		<ol style="list-style-type: none"> <li>1. Choose your floor plan,</li> <li>2. Choose structural options at time of Purchase Agreement</li> <li>3. Option Price Book received</li> <li>4. All Structural Options completed within 7 days of Purchase Agreement.</li> <li>5. Earnest Money Deposit received</li> </ol>	
2.	<b>Loan Application</b>	Mortgage application within 3 days of Purchase Agreement	<ol style="list-style-type: none"> <li>1. Complete mortgage application within three days (3) of Purchase Agreement. Your home purchase cannot proceed forward without a loan approval.</li> <li>2. Make formal mortgage application with a Preferred Lender or a mortgage company of your choice. Be sure to send all required documents.</li> </ol>	
3.	<b>Mortgage Approval</b>	Mortgage Commitment within 15 days of Loan Application.	<ol style="list-style-type: none"> <li>1. Have your lender send the Pre-Commitment Form (PCF) within 15 days of Purchase Agreement received by Allen Edwin Homes. See page 15 for the PCF.</li> </ol>	
4.	<b>Lot Transfer and/or Down Payment Deposit*</b>	Within 15 days of loan approval.*	<ol style="list-style-type: none"> <li>1. Upon receipt of your loan approval letter, a New Home Showroom Consultant will contact you to schedule an appointment to complete your Down Payment Deposit and/or Lot Transfer prior to your Consultation appointment at the New Home Showroom.</li> <li>2. Prior to Lot Transfer, you will be notified of your Down Payment and/or Lot Transfer costs which are due at the Lot Transfer (includes taxes, closing fees and any other community specific costs associated with transferring the home site to you.).</li> <li>3. This appointment will require about 30 minutes to complete and will take place at the New Home Showroom.</li> <li>4. Typically, the Lot Transfer appointment is scheduled prior to the Consultation appointment. However, in some communities the Lot Transfer is scheduled at a later time. <u>You will still be required to bring your Down Payment to the consultation appointment.</u> An Allen Edwin Closing Coordinator will contact you to schedule the Lot Transfer.</li> </ol>	
5.	<b>New Home Showroom (Consultation and Final Selections)</b>	Scheduled 7 days from loan approval	<ol style="list-style-type: none"> <li>1. You will be contacted by a New Home Showroom Consultant to schedule both of your selections appointments at the New Home Showroom (NHS) after we have received your loan approval.</li> <li>2. <b>Appointments are completed Monday through Friday at either 9am or 1pm and are approximately 2 1/2 to 3 hours in length. Please plan on taking a 1/2 day off work.</b> (Please see map, directions and business hours included in this manual on page 17 and 18.)</li> <li>3. Your goal is to complete the Final Selections appointment within 14 days of your Consultation Appointment. <b><u>No changes to your home are permitted once final selections are completed.</u></b></li> </ol>	

6.	<b>Pre-Appraisal</b> (if applicable)	30 days from Final Selections	<b>Pre-Appraisal:</b> If necessary, a pre-appraisal may be required.	
7.	<b>Pre-Construction</b>	2-3 Months from Final Selections	<ol style="list-style-type: none"> <li><b>Site Engineering:</b> Your home and home site are engineered.</li> <li><b>Architecture:</b> Your home is designed and drawn specifically to your home site.</li> <li><b>Estimating:</b> All purchase orders for your home are ordered and completed.</li> <li><b>Permit:</b> Your permit is submitted. Times vary by municipality.</li> </ol>	0

## Phase 2: Build

Step	Event	Time Between	Description	Homeowner Action Completed
1.	<b>Authorized to Start</b>	Beginning of the Construction Schedule	You will be contacted by your Production Manager to schedule your New Home Review and receive your first construction update.	
2.	<b>New Home Review</b>	During Foundation Stage	Your Production Manager will contact you to schedule a time to meet and conduct your New Home Review during the Foundation stage. At this time the Production Manager will review the process of your home's construction, answer questions and outline the steps we take to build your new home.	
3.	<b>Home Construction</b>	3-4 months from Mechanical Start date**	Construction of your home runs on 3 independent schedules. First is the Foundation schedule, followed by the Framing schedule and last is the Mechanical schedule that will take the home through completion. The Production Manager will be your point of contact from the New Home Review until the completion of your home. The Production Manager will complete the seven (7) Quality Control steps throughout the process to ensure your home is built in accordance with code requirements and our model standards. See "Quality Control Steps" on page 6 for more details".	
4.	<b>Final Mortgage Approval</b>	Approximately 30 day prior to the completion of your home.	The Allen Edwin Homes Closing Team will contact you and your lender approximately 30 days prior to the completion of your home. You will be notified by the Allen Edwin Closing Team fourteen (14) days prior to your scheduling close date. In the event you are not able to close by the scheduled closing date, delayed closing fees of \$75/day will be charged.	
5.	<b>New Home Orientation</b>	Upon completion of your home.	Once Allen Edwin has completed your new home, your Production Manager will contact you to schedule your New Home Orientation meeting. At this meeting, your Production Manager will demonstrate the features of your new home. Your New Home Orientation will need to take place within one week of the date you are contacted by your Production Manager and will be scheduled to begin at either 9am or 1pm. If you do not conduct your New Home Orientation within the week allotted, it could delay closing which could cause you to incur delayed closing fees.	
6.	<b>Home Completion and Closing</b>	Closing	At the Closing, the balance of your purchase is due. The keys to your new home will be given after all Closing documents are signed and receipt of all monies is received by Allen Edwin Homes.	
7.	<b>Warranty Service</b>	After Closing	Congratulations on your new home! If you have any possible warranty concerns, please see the Residential Warranty Company manual for warranty. Please contact our service department if service is required.	

\* Down Payment Deposit/Lot Transfer will vary by community. See Sales Counselor for details.

\*\* Production Manager will review time line for the construction of your home. Times will vary based on the municipality and inspections needed.

## Key Contacts

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*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.*

### **Allen Edwin Sales Counselor**

*What can they do for you? How can you contact them?*

- Answer your questions and concerns
- Assist you in communicating with your mortgage company
- Communicating with you throughout the home construction process.
- Please call your Sales Counselor. If the call goes to voice mail, please leave a message.
- Other: \_\_\_\_\_
- Sales Counselor schedule

	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Sunday</b>
<b>Days On</b>							
<b>Days Off</b>							

### **Mortgage Representative**

*What can they do for you? How can you contact them?*

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

### **New Home Showroom (NHS) Consultants**

*What can they do for you? How can you contact them?*

- During your first Consultation, your NHS Consultant will educate you on all available selection options.
- NHS consultants are your expert guides, helping to create the home of your dreams while working within your desired budget and mortgage approval.
- NHS consultants will contact you to schedule your Consultation and Final Selection appointments after receipt of your mortgage loan approval with the “Loan Pre-Commitment Form” on page 15. Your NHS Consultant will only allow you to purchase options and selections up to the amount your lender has approved you on the Loan Pre-Commitment Form. Please make sure that you

contact your Lender prior to Final Selections Appointment if you are looking to increase your mortgage approval amount.

If you wish to contact a NHS Consultant, you can reach them at (616) 878-1748 and leave a detailed voice mail message including your name, community, lot number and the best number to reach you. NHS Consultants are conducting appointments throughout the day and will return voicemails and e-mails when available around appointments.

### **Allen Edwin Production Manager**

*What can they do for you? How can you contact them?*

- Answer your questions and concerns during construction of your new home.
- Communicate at the completion of each of the Quality Control points after the New Home Review (after Foundation is complete) and the New Home Orientation (after completion of Quality Check 7).
  - Quality Check 1 – Basement and Garage foundations complete
  - Quality Check 2 - Framing complete
  - Quality Check 3 - Rough Mechanical Inspections complete
  - Quality Check 4 - Drywall complete
  - Quality Check 5 - Interior trim complete
  - Quality Check 6 - Mechanical trim out complete
  - Quality Check 7 - Final touchups and HVAC HERs inspection complete
- The Production Manager's schedule is Monday through Friday, 8:00am to 5:00 pm.
- New Home Review and New Home Orientation are scheduled Monday through Friday at either 9am or 1pm.

### **Allen Edwin Closing Department**

*What can they do for you? How can you contact them?*

- Answer your questions and concerns regarding down payment deposit and/or lot transfer and your end loan closing.
- Assist you in communicating with your mortgage company.
- ***Your home closing will only be communicated by the Allen Edwin Home Closing Department.***
- The Closing Department's schedule is Monday through Friday.

## **Our Commitment to You**

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Building a new home is important and we take it seriously. We're here to help and to make sure you have a fun and exciting experience along the way.

At Allen Edwin Homes we pledge to:

- Set clear expectations about the homebuilding process.
- Build your home consistent with the finishes demonstrated in our model home(s).
- Provide a New Home Review Meeting during your home's Foundation Stage.
- Communication from your Production Manager beginning at the Foundation Stage and through completion of your home.
- Provide a New Home Orientation Meeting upon the completion of your home.
- Be helpful, hospitable, honest, respectful and responsive.
- During scheduled working days, return your calls within 24 business hours.

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Sales Counselor's Signature

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Date

# Top Customer Expectations

## Communication

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- Throughout the homebuilding process, feel free to contact your Sales Counselor or Production Manager with questions. We strive to return all calls within 24 – 48 business hours. Please remember that your Sales Counselor’s scheduled days off may occur during the week and your Production Manager’s days off occur on the weekends.
- Weekly communication from your Production Manager on the progress of your home weekly beginning with the framing of your home.
- Scheduling of your New Home Showroom Consultation (Preview) and Final Selections will be done by the New Home Showroom Consultant.
- You will receive a series of e-mails from our Closing Department. Please make sure we have your correct e-mail address, and notify your Sales Counselor if it changes.
- New Home Orientation. Once Allen Edwin has completed your new home, your Production Manager will contact you to schedule your New Home Orientation meeting. At this meeting, your Production Manager will demonstrate the features of your new home. Your New Home Orientation will need to take place within one week of the date you are contacted by your Production Manager and will be scheduled to begin at either 9am or 1pm. If you do not conduct your New Home Orientation within the week allotted, it could delay closing which could cause you to incur delayed closing fees.
- Closing Date. Once your Production Manager has scheduled your New Home Orientation and confirmed your home is on track to close, the Allen Edwin Closing Team will contact you to schedule your closing date. The Closing Team will also order the final inspection through your Lender two weeks prior to your closing date.

## Financing Your Home

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- Allen Edwin Homes will oversee the mortgage process for your home to ensure you are receiving a valid mortgage approval. We strongly recommend using a Preferred Lender who is familiar with the Allen Edwin Homes process. Preferred Lenders provide quick loan approvals and minimizes the opportunity for potential problems.
- If using a lender other than a Preferred Lender, you will need to provide and have your lender complete the enclosed ***Loan Pre-Commitment Form (PCF) page 15***. You must personally help in monitoring the progress of your loan to ensure the lender provides these critical documents and meets the scheduled closing deadline.



- After your selections are complete, we may request an appraisal of the home from your lender. The appraisal would be conducted by an independent third-party retained by your lender to provide an opinion of market value for your home. Regardless of your borrowing ability in general, this appraisal will limit the amount that your lender can loan you for the purchase of the home.
- If you choose to switch lenders once you have been pre-approved, ***be aware that it may delay your closing and cause you to incur additional costs in the form of delayed closing fees of \$75 per day.*** Your Start (foundation and framing) priority is set on the date of receipt of an acceptable loan approval, Final Selections and if applicable, an acceptable pre-appraisal from your lender. We cannot release your home to construction until we have the following from the new lender:
  - Collected any remaining deposit's due from you, including the Additional Earnest Money Deposit;
  - Obtained any missing information from your lender, including income verification;
  - If applicable, verified that the pre-appraisal from the new lender will meet or exceed your Purchase Price.
  - The Lot Transfer/Down Payment appointment has been completed.
- Base price protection is valid 30 days from purchase agreement. In the event home buyer is not mortgage approved within 30 days of purchase agreement, base prices may be subject to change. See Sales Counselor for information on Game Plan.

### **Personalizing Your Home**

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- Preview your Option Price Book prior to your Consultations Appointment. Options pricing is valid for 90 days from purchase agreement.
- We do not schedule your home for foundation and framing until after you complete your final selections, Lot Transfer and/or Down Payment Deposit and if necessary, an acceptable pre-appraisal from your lender. A delay in your Final Selections Appointment will delay the start and ultimately the closing of your home.
- You must schedule your New Home Showroom Consultation appointment within seven (7) days of your mortgage approval.
- Your Consultation appointment must be scheduled within fourteen (14) days of the first available appointment.
- Your Final Selections appointment must be completed within fourteen (14) days of the Consultation appointment.

- Please make every effort to be prepared for and finalize your Final Selections Appointment during the 2<sup>nd</sup> scheduled appointment to the New Home Showroom.
  - Your options and selections at the New Home Showroom are limited to the maximum mortgage approval amount from your lender at time of the Consultations Appointment. Please contact your lender with questions or to inquire about an increase in your loan approval prior to this appointment.
    - Options and pricing are subject to change without notification. In order for Allen Edwin Homes to ensure the most current and up-to-date products at the most affordable pricing available, it is necessary for the New Home Showroom options to change regularly. If an item is changed or discontinued you will be notified to re-select those items.
  - **NO CHANGES CAN BE MADE AFTER FINAL SELECTIONS**
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### **Lot Transfer and/or Down Payment Deposit**

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- Be prepared to pay, by certified check or money order, any additional earnest money deposits (including, but not limited to down payment) required based on the loan program established by your lender.
- No changes to your loan can be made after this appointment.
- Documents will be signed on the same day as your Consultation Selections appointment at the New Home Showroom. Some communities may require a “Lot Transfer” to take place after Final Selections and if necessary a pre-construction appraisal. See Sales Counselor for communities that apply.

### **Before Building Your Home**

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- There may appear to be a “lull in the action” after completing your selections until the start of framing. Rest assured that work is going on behind the scenes to get your home started.
- The local government body regulating the construction of your home will require that certain steps have been taken prior to construction. These steps include:
  - A “blueprint” plan of your home including all of your structural selections;
  - A site plan created by a surveying engineer verifying that your home will fit on your lot;
  - A building permit(s).
- If a pre-appraisal is requested by Allen Edwin Homes, after you have completed the selection process, Allen Edwin Homes will provide you and your lender with a settlement statement (the final purchase price), home plans and specifications so that your lender can order an appraisal. The appraisal process typically takes

approximately 2 – 4 weeks and cannot be started until you have finalized selections.

- A very important and informative ***New Home Review Meeting*** will be scheduled with your Production Manager during the Foundation Stage. Allow a minimum of two (2) hours to complete this meeting. New Home Reviews are scheduled at either 9am or 1pm, Monday through Friday.

## **Building Your Home**

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- Your home is built on three (3) independent schedules. Once we complete all of the necessary steps to begin construction, we will start on your foundation.
- **The Foundation Schedule:** Because of the efficiencies that are gained by pouring multiple foundations and grouping foundations together also called “batching”, your foundation may be poured and completed weeks prior to when the framing begins. Before the winter months (when it is more difficult to dig the foundation) we will put in more foundations to eliminate the variability of winter conditions. During this time, it is not uncommon for the foundation to be in a month or more before your framing begins. The weather can play a significant factor in the completion of your foundation. Extreme cold or excessive moisture may create delays.
- **The Framing Schedule:** Your home will be scheduled to start framing after the foundation is complete. Because our framers work in varying sizes in terms of crews and speed, our framing start and completion will vary from home to home. At completion of Framing, your home will have windows, doors and shingles installed.
- **The Mechanical Schedule:** The start of mechanicals is the beginning of our even flow SMART schedule. Your home will be built in accordance with our schedule from mechanical start to Certificate of Occupancy. This phase will be approximately 3 – 4 months from the beginning of your mechanical start date to certificate of occupancy. General time frames vary because of inspections and municipality requirements vary from community to community.
- During the Foundation Stage and beginning at the New Home Review, your Production Manager will be your primary contact to answer any questions or concerns you may have regarding the building of your home. Please submit any questions you have for your Production Manager using their personal voice mail system or e-mail. Their number and e-mail will be given to you during your New Home Review Meeting.
- Trade Partners are required to build your home to the same finish standards demonstrated in the model homes. You can expect your home will be finished consistent with these standards.

- **ALL WORK AND MATERIALS IN THE HOME MUST BE COMPLETED BY AN ALLEN EDWIN HOME APPROVED VENDOR AND/OR SUPPLIER.** No work can be completed outside of this.
- Prior to closing on your home a very important and informative ***New Home Orientation Meeting*** will be scheduled. Allow at least two to three (2-3) hours for this meeting.

### Visiting the Construction Site

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- **Building a new home is an exciting time. The work site can also be a dangerous environment and we have created the following policy with your safety in mind. Please review and contact your Sales Counselor if you have questions. We ask that you follow these guidelines when you visit:**
  - If you are purchasing a completed home, this information does not apply to you. If you have questions, please contact your Sales Counselor
  - Construction activity on your home can be inherently dangerous. There may be times during construction that you may not be able to visit your home site due to dangerous work that is in process.
  - During the week you must contact your Production Manager to schedule a site visit to your home. During the weekend, please contact your Sales Counselor. Hard hats must be worn by all individuals from curb through the home until trim inside the home is complete.
  - Please keep in mind that the home you are purchasing does not become yours until after closing. You are not permitted to make any changes, alterations or additions to the home until after you have closed on the home. This includes instructing any of the trade partners to do/not do work and making any notes on/in the home. Any changes, alterations or additions by an unauthorized source will be removed and the cost to do so will be charged back to you.
  - If you see something that you feel needs to be brought to the attention of the Production Manager, please do so. **Please understand that many times, things that appear to need attention (broken window, debris, etc.) likely have already been or are being addressed behind the scenes and are just waiting for the appropriate time to be corrected and completed.**
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### Closing on Your Home

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- With the completion paint and trim inside your home, we can now estimate that your new home will be completed in approximately 4-6 weeks. This is an exciting time as we near completion of your new home and the following information will help clarify the next steps leading up to the closing process.

- The Allen Edwin Homes Closing Department is the only authority to give your closing date. You will be contacted fourteen (14) calendar days prior to your scheduled close date. In the event you are not able to close by the scheduled closing date, ***delayed closing fees of \$75/day will be charged.***
- Once Allen Edwin has completed your new home, your Production Manager will contact you to schedule your New Home Orientation meeting. At this meeting, your Production Manager will demonstrate the features of your new home. Your New Home Orientation will need to take place within one week of the date you are contacted by your Production Manager and will be scheduled to begin at either 9am or 1pm. If you do not conduct your New Home Orientation within the week allotted, it could delay closing which could cause you to incur delayed closing fees.
- 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 having a firm closing date assigned by the Closing Department.**
- You may need to take time off work to attend your closing. Allow at least one (1) hour for your closing.
- Please remember, it is your responsibility to ensure that you have funds to close and that your lender has everything needed to fund your mortgage. ***Customer or finance related delays in closing will incur a \$75/day interest carry cost.***
- If applicable, sod and/or landscape escrows may be held until the work is completed. For homes closed during the 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 on the type of mortgage loan, municipality requirements, or weather. Your Production Manager will provide you with the details on these occasions. Lender or Title Company may hold escrows.
- Closing package must be delivered by your lender to Devon Title Company 24 hours prior to the scheduled closing date & time.

### **Service and Warranty on Your Home**

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- Your home will be built and warranted according to the standards established by Residential Warranty Company (RWC) and industry guidelines.
- 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. This contact information can be found on the water heater. For all other leaks such as roof or windows, contact the warranty department within 24 hours.
  - East Michigan Service Department

- (248) 876-4238
      - Submit Service Requests to: [emservice@allenedwin.com](mailto:emservice@allenedwin.com)
    - West Michigan Service Department
      - (269) 350-2117
      - Submit Service Requests to: [mSERVICE@allenedwin.com](mailto:mSERVICE@allenedwin.com)
  - To report an emergency during normal business hours please contact the Service and Warranty Department. For after hour emergencies, either contact the appropriate sub contractor or the Allen Edwin Homes after hours emergency number **1-866-644-4919**
  - **Any Warranty inspection and repair (1/2 day each)**
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## **Mortgage Process Overview**

*This section will help you prepare for your mortgage appointment and help avoid any delays in receiving your loan approval. Please take the following to the appointment:*

- **Income Documentation**
  - One month of paystubs & past 2 years' W-2 forms
  - If self-employed or commissioned, past 2 years' signed tax forms with schedules & YTD profit & loss statement
  - Names, addresses & phone numbers of all employers for past 2 years
- **Asset Documentation**
  - Previous 2 months' statements for all bank accounts (Document any large deposits, 401k, IRA)
  - Money market statements
- **Creditor Information (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 past 2 years
  - Addresses for other real estate owned
- **Bankruptcy Documentation**
  - Bankruptcy discharge with all schedules
  - Letter explaining circumstances that lead 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 receiving child support, need 3 month payment history from child support services.



We value what you value.

### Loan Pre-Commitment Form (PCF)

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

Is your approval contingent on sale of current home?

YES / NO    Lease? YES / NO

<b>Verified Funds</b>	_____
<b>Cash to close</b>	_____
<b>Required Reserves</b>	_____
<b>Net (excess)</b>	_____

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.**

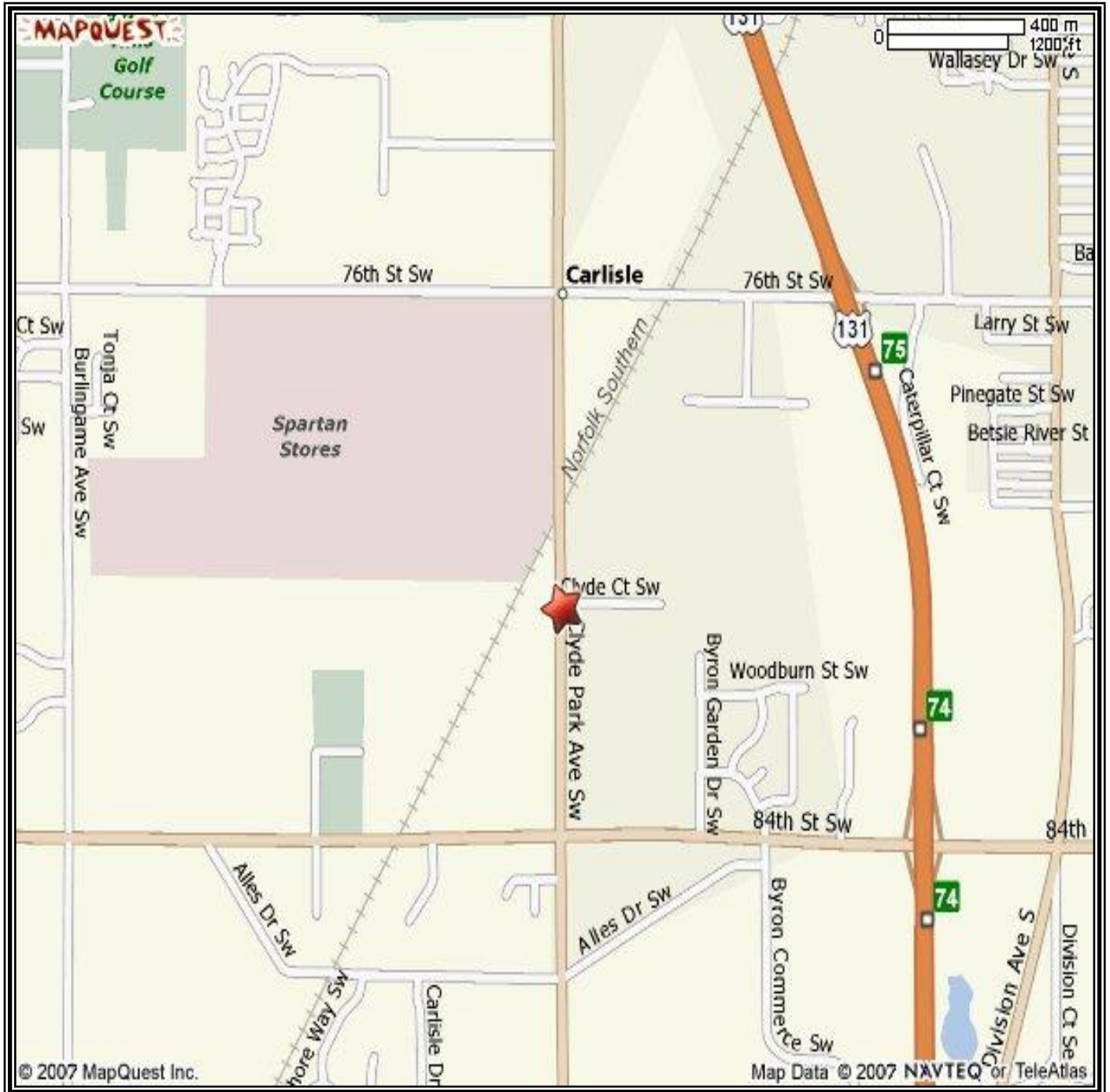


## Helpful Do's and Don'ts for the Mortgage Process

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- ✓ **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.)
- X **DO NOT** change jobs/employer without 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. FMA/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 for 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.

# 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

### Consultation and Final Selection Appointment Hours:

Monday through Friday

9am or 1pm

You will be contacted by an NHS consultant who will schedule your  
Consultation and Final Selections appointments.

# Frequently Asked Questions

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

Some people get pre-approved before they shop for a new home. Loan approval can take a matter of hours or as long as several months. Typically, it takes about one week to complete the entire loan approval process.

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

An information sheet has been provided in this section entitled **“Mortgage Process Overview”**. This sheet advises what documents are needed to be brought 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, the New Home Showroom Coordinator will call you to schedule and conduct your Consultation appointment at the New Home Showroom. There you will have the opportunity to choose your desired color choices and any selection upgrades.

**4. When can I lock in my loan?**

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 3-4 months from the start of mechanicals. Please contact your Sales Counselor prior to locking in a loan to discuss if the timing is right for you to do so. *Allen Edwin Homes is not responsible for rate locks that expire.*

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

All deposits that you give to Allen Edwin Homes 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 Homes will be sent to you shortly after your Final Selections Appointment and again about 30 days prior to closing. It is important 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 strongly recommend using a Preferred Lender who is familiar with the Allen Edwin Homes process. Preferred Lenders provide quick loan approvals and minimizes the opportunity for potential problems. We strongly encourage you to use a Preferred Lender. For your protection, Allen Edwin Homes will only recognize conditional loan approvals from an approved lender who has submitted the **“Pre-Commitment Form (PCF)”**. Again, for the smoothest possible transaction we recommend the use of our preferred lenders.

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

This is strongly discouraged. If you must change lenders during the construction process, notify the Allen Edwin Homes' Closing Department immediately. Your new lender must furnish a loan approval using Allen Edwin Homes' 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 \$75 a day interest carrying charge.***

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

It will be your responsibility to take a more hands-on approach to ensure that Allen Edwin Homes receives 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. Allen Edwin Homes cannot begin the process of building your new home until we receive your loan approval letter on an Allen Edwin Homes provided form. Non preferred lenders may also treat your end loan closing as a refinance if a lot transfer has occurred. This means that a three (3) day rescission period is in effect. **This means that your loan has not been funded and you will not receive the keys to your new Allen Edwin Home until it does.**

If using a non-preferred lender, please provide them our ***Pre-Commitment Form (PCF)*** enclosed in the manual. Please have the lender fill out and fax these forms to us at (269) 743-1260.

**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 NHS?**

Once we receive notification of your loan approval from your lender, the New Home Showroom Coordinator will contact you to schedule your appointment. You will schedule the Consultation appointment within seven (7) days of your mortgage approval. Your Consultation appointment must be scheduled within 14 days of the first available appointment. Your Final Selections appointment must be completed within fourteen (14) days of the Consultation Appointment. Consultation and Final Selection appointments are broken out into two (2) separate appointments and are scheduled Monday – Friday between 9am and noon or 1pm and 4pm. It may be necessary to time off work to complete 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, a loan approval letter indicating the amount of money available for you to spend on upgrade selections and changes. The New Home Showroom Consultants do not have the authority to allow you to spend more than your mortgage approval allows.

**12. Why would Allen Edwin Homes ask that a pre-appraisal be done before my home begins construction?**

Ultimately, it is your responsibility to pay the entire Purchase Price at closing, either by obtaining a mortgage or by paying in cash. Since the amount that you can borrow will be

limited by the appraisal amount, this could also increase the amount of cash you would need to bring to closing. We understand that most people have limited cash for closing, and thus we require the appraisal before construction to give you the option to reduce selections, and to make sure that you have the necessary resources to close on the home.

**13. What happens if my pre-appraisal or final appraisal is short?**

After you have completed the New Home Showroom process, Allen Edwin Homes may request a pre-appraisal for your home. We will provide your lender with the final purchase price, home plans and specifications so that your lender can order a pre-appraisal. When the appraisal is complete and reflects a value that meets or exceeds the purchase price, Allen Edwin Homes would then be in a position to commence construction of your home.

In today's environment, appraisers may not value certain features that you have selected for your home. In the event that your appraisal value is lower than the contract purchase price, Allen Edwin Homes will work with you to reach an alternative. Such alternatives may include:

1. Revision or removal of certain selections to reduce the purchase price;
2. An upfront cash payment to cover the gap between the appraisal value and the purchase price;
3. Initiation of a new appraisal with a different lender;
4. Moving to a new home site and/or floor plan;
5. Increase the loan to value ratio of your loan.

**Allen Edwin Homes requires a PCF and may require a completed appraisal before construction to protect you and Allen Edwin Homes from issues related to approval and appraised value at closing.**

**14. What happens if I don't make application within 3 days of purchase agreement or don't get mortgage approval within 15 days of purchase agreement?**

If you have not made mortgage application within 3 days of purchase agreement, you will be in default of the purchase agreement. We have taken the home and/or home site off the market during this time. If within 15 days we do not have an unconditional mortgage approval, you will be in default of the purchase agreement. For homebuyers who are unable to secure unconditional mortgage approval, Allen Edwin Homes has created a path to homeowner called "Game Plan" that helps facilitate the purchase of a new home. See Sales Counselor for more details.

**15. 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, building permits, ordering the products you have selected in the New Home Showroom and begin the foundation. The next step will be attending a New Home Review Meeting with your Production Manager. This meeting will be held after the start of foundation and prior to the frame start of your home. During your pre-construction meeting, you will review all the selections you made for your home and the construction timeline/building process. Please be sure to take copies of all your New Home Showroom paperwork to this meeting to ensure all your selections are accurate.

**16. Are the deposits that I give to Allen Edwin Homes upfront part of my down payment?** All deposits paid to Allen Edwin Homes are credited back to you at the time of closing. Please contact your lender for specific details.

**17. What if I want to make changes after I have signed off on my Selections?**

Once you have finalized your NHS Selections, we produce architectural prints, order the products you have selected and as well as your site plan and permit(s). By the time actual construction begins, the majority of these tasks have been completed. For this reason, changes to your home become difficult or impossible after your final sign off. This is why we ask you to make all modifications to your plans prior to finalizing your Selections.

**18. Why do I have to schedule my New Home Showroom Selections within 7 days of my loan approval?**

As part of your purchase agreement, your first preview of the New Home Showroom is called your "Consultation" Selections appointment. Your second appointment is called the Final Selections appointment and is completed within fourteen (14) days from the Consultation appointment. The estimated completion of your home or Certificate of Occupancy date is based on hitting the dates prescribed in the Purchase Agreement. 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 60 days from the pre- approval will help ensure options will be available for your home.

**19. Can I change my lot choice after my Lot Transfer?**

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.

**20. Who is responsible for the HOA dues and property taxes after the lot transfer appointment?**

Once the lot transfer appointment is completed, the City/Township and Homeowner's Association is notified of the change in ownership for your lot. All future property taxes that are assessed will be your responsibility. In some communities, HOA dues begin at lot transfer. Please see Sales Counselor for details.

**21. Why do I have a note and mortgage at my lot transfer appointment?**

By signing the note and mortgage, you are simply agreeing to pay Allen Edwin Homes upon the completion of your new home. The note and mortgage will be at zero percent interest (0%) so there will be no interest cost charged to you. The note and mortgage will be discharged at your final closing. **THERE ARE NO MORTGAGE PAYMENTS DUE TO ALLEN EDWIN HOMES ON THE NOTE AND MORTGAGE.**

**22. 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 lot. The Grant of Easement allows Allen Edwin Homes and their trade partners and suppliers 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.

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

There will be closing costs charged to you at the lot transfer appointment by the title company. These costs start range from \$405 to over \$500 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 that includes the closings cost, prorated property taxes, HOA fees (if applicable), etc..

**24. Why do I need to choose all structural items at time of contract?**

Many of the structural options affect the location of the home within the homesite such as fireplace, finished basements, decks and garage options. Having your structural options completed at time of contract will give you the ability to focus more time on choosing the design elements of the home.

**27. Can I access the home during construction?**

During construction of the home, the worksite is not a safe environment. Our Trade Partners require a job site that allows them to work uninterrupted and without obstructions to build your home in accordance with the time and focus required. Because the job site is inherently a dangerous environment we ask that you follow the guidelines outlined under "Visiting the Construction Site" on page 12.

**28. What if I see something broken during construction?**

During the construction of your home we have included seven (7) milestones to ensure that your home is built to the model standards we have set. These "quality" checks are called Quality Control checkpoints that every Allen Edwin Home must go through. Your Production Manager has been trained to inspect these stages independent of the municipality inspections that also take place. Your Production Manager will note these items and have the appropriate corrective actions take place. For example, if a window has been broken during construction, your Production Manager will note this and order a replacement. During the time the window is on order, we do not stop the process and building of your home. Your home will continue along the critical path. If you would like to alert the Production Manager of anything that you feel needs attention, please do so.