

# Laird Homes – Sample

## *Section A Sample*

**Congratulations** on your decision to purchase your new home from Laird Group! We share your excitement about your new home and today we welcome you, our newest homeowner, to the Laird Group family!

At Laird Group, we understand that buying and building a new home can sometimes be a complicated and time-consuming process. To help you, we created this Homeowner Manual. It is designed to be your guide both during and after the purchase of your new home. There is no greater favor that you can do for yourself and your family than to read and understand this manual. It will answer many of your questions and give you information on all the things that you can do to keep the construction and completion of your home on track.

When your home is complete, this manual will provide you with home care suggestions, guidelines and detailed information about the limited warranty attached to your home.

Please familiarize yourself with this manual, paying particular attention to the dates and times when information or decorator choices will be needed. You'll be glad you did!

During the construction and completion of your home, there will be lots of decisions to be made and many details that will need to be coordinated in order for you to move in. When you have questions, speak with your salesperson. They will be your primary contact throughout the entire process. While they may not have all the answers, they will know where to get them.

We are delighted to welcome you as part of the Laird Group family and are always ready to serve you.

**Laird Group...Your Home...Your Choice...**

**Sincerely,**

**Laird Group**

Laird Group is a Colorado based company that evolved from family and business ties originating in the 1950's. Honesty and integrity is our credo...Value is our product.

We are proud that you have chosen us to build your new home. We work hard to design homes and communities that are attractive, friendly, safe and well planned. We hope that one or all of these qualities helped you decide on Laird Group.

A new home is exciting and rewarding! But, It may also be the biggest purchase that you will ever make. For this reason, we are committed to building a home that will meet your expectations and provide you years of comfort and enjoyment. In order to do this, you will have a considerable role during the construction and completion of your home. Your time, effort, and attention to detail will play a large part in delivering your home, with all the options and New Home Selections that you have chosen.

As a new homebuyer, you have expectations of your builder. On the following pages, we hope to define our role and put you at ease about your choice of builders. However, as your builder, we have expectations of you as well. To complete your home on time, there are many things that you will need to do. This document will help you accomplish those tasks and will assist in making your home purchase easy, rewarding and satisfying!

## **Before We Begin...**

**At Laird Group, we are able to offer many advantages that other builders cannot...**

- We choose great floor plans and make them available to you in the best locations!

- We use model homes to showcase our floorplans. These homes create an environment, complete with furniture and appliances that allows you to view the quality workmanship and thoughtful designs of our homes.
- We constantly review new building materials. Our staff researches new products and designs that will make our homes safer, quieter and more energy efficient, resulting in a better home for you and your family and giving you more home for your dollar!

### **However, our building program can reduce our flexibility...**

- Our construction schedules are planned in advance. Therefore, depending on the stage of construction of your home when you purchase, some Options, Upgrades or Color Selections that we offer may not be available to you.
- During construction, if you delay making a decision and miss a deadline, an offered Option or Upgrade may no longer be available to you, as stopping production to make specific changes will affect the production schedule of your home and others.
- Fixtures and floor patterns displayed in our model homes may no longer be available as manufacturers often change styles and patterns without notice. Manufacturers do this to keep up with current trends. Since it is prohibitive for us to continually upgrade our model homes with latest materials, you will need to work with our Design Counselor to determine what items are available.

- Your home may be under construction when you purchase. During construction, you may notice that work starts and stops on your home at different times. Many factors can be influencing this; including weather, shortages of building materials and construction labor, to name just a few. However, many times it is simply our construction schedule keeping pace with the entire project. So, be patient and do not worry! You are important to us and we will work very hard to have your home completed on time.

## CAN YOU GET ALL THAT YOU WANT OUT OF A LAIRD HOME?

ABSOLUTELY! But it will take effort on your part. Be attentive, ask questions, and take the time to read ALL the materials we provide you. We provide these materials so your experience with us will be positive and educational! So, take the time to read this manual. You'll be glad you did!

### **Section A is divided into the following sub-sections:**

#### **I. Your Mortgage Loan**

- A. Mortgage Definitions – Professionals and Terms
- B. Choosing your Lender
- C. Your Loan Application and Processing
- D. Cost of Loan
- E. Your Loan Appraisal
- F. Mortgage Application Guide

#### **II. Your Home...Your Choice**

- A. Making Selections
- D. Custom Features
- E. Standard Options and Upgrades

- F. Color Selections – Initial Color Selections
- G. Color Selections – Final Color Selections
- H. Changing Custom Options and Upgrades
  - i. Sample Upgrade Form
  - ii. Sample Purchase Agreement Amendment

### **III. The Construction Process**

- A. Construction of Your Home
- B. Construction – Questions and Concerns
- C. Construction – Process/Changes/Substitutions
- D. Purchaser Modifications
- E. Site Safety
- F. Home Delivery

### **IV. Home Completion**

- A. Inspections
- B. Homeowner Orientation/Pre-Occupancy Inspection
  - a. Sample Pre-Occupancy Form

### **V. Closing**

- A. Closing Process/Information
  - a. Closing Tips and Suggestions
- A. Closing Documents

## **I. YOUR MORTGAGE LOAN**

In your Agreement For Purchase And Sale, (including all addendums) you elected to purchase a home with a particular mortgage loan.

The mortgage loan you chose can be insured by the Veterans Administration (VA); or Federal Housing Authority (FHA); or by a private mortgage company which is considered a "Conventional Loan". The institution you are working with is noted in your Agreement. If you have not done so, you will need to select a lender

to process and produce your loan. As it will help with your purchase, please keep your Sales Counselor informed of any changes to your mortgage loan.

Before we can begin putting together the contracts and paperwork, you will need to be "Pre-qualified". The lender of choice, or one that we suggest, will be able to pre-qualify you quickly to determine your ideal home.

### **A. Mortgage Definitions – Professionals and Mortgage Terms**

The following explains the services these individuals or companies provide and certain industry terms that you will hear during the mortgage and construction process.



#### **Mortgage Professionals**

**Mortgage Lender** – Extends money in the form of loans to homebuyers.

**Appraiser** - Estimates the market value of a home so the lender can determine if the mortgage loan amount asked for is appropriate to the value of the home being purchased.

**Attorney/Settlement/Escrow Agent** –

Manages the proper completion of documents at Closing, including title search and title insurance.

**Mortgage Insurer** - Provides insurance protection for loan payments, resulting in lower down payments for the borrowers.

**Loan Servicer** - Collects mortgage payment and disbursing funds from escrow accounts.



## **Mortgage Terms**

**Pre-Qualified** - Your lender will quickly look at several variables, including salary, mortgage or rent payments, etc. to “Pre-Qualify” you for your new home. They will then send us a letter within 5 days giving you conditional approval to purchase your new home.

**Formal Loan Approval** –

Within 30-45 days of signing your Purchase Agreement, your lender will have had time to completely review all the documents necessary for mortgage qualification. Upon favorable review, you will have formal loan approval. The documents listed below will help your lender make that decision.

**Good Faith Estimate** -

The estimate is provided by your lender. They will obtain this estimate by verifying forms to your employer, banks and current mortgage company or rental company. The Good Faith Estimate lists the costs you will incur at closing.

**Truth in Lending Disclosure** -

This disclosure shows the total cost to you, over the term of the loan, for your specific financing. The calculation is based on the assumption that you own the home and make regular payment throughout the term of the loan.

**Verification of Employment** –

VOE form. Lender sends to all employers for the last two years. The form shows dates of employment, amount of money earned last year and how much you have earned during the calendar year. The VOE also document bonuses and overtime earnings as well.

**Verification of Deposit** –

VOD form. Like the employment form, your lender will send this form to each banking institution that you listed. This form will show average balances for the last three months,

amount of money currently in your accounts and any loans and overdrafts that may be yours.

**Verification of Mortgage -**

VOM form. Mortgage companies and landlords complete this form. For homeowners, this document tells your lender how much you owe and whether you make your payments on time. For renters, it tells your lender the amount of your monthly rent payment and whether you make your payments on time.

**Credit Report -**

Your credit report shows the amount of money you owe to each of your creditors, minimum monthly payments and your manner of payment.

**Appraisal -**

The appraisal confirms the value of the home you are purchasing for you and your lenders.

**Loan to Value Ratio** -Lenders evaluate loan amounts based on a percentage of the property value of the home you are purchasing. This is referred to as the loan-to-value ratio

**Contingencies -**

Mortgage loan approvals sometimes carry "conditions of approval." The sale of a previous home or proof of funds are two examples. Once all contingencies are met, final loan approval can be obtained.

**Loan Lock -**

Mortgage companies allow you to "lock" your interest rate. Length of times vary, but loans can be locked from two weeks to two months or more, depending on your lender and their programs. Locking rates may allow you to secure a more suitable interest rate before rates potentially go up. However, locking your rate can also hinder you if rates go down during that same time or, can result in extra expense if your home is not completed in time to close within the lock period. During construction, we will update you throughout the entire construction process on the expected delivery date. However, we cannot control bank interest rates and until we reach a point in construction where factors outside our control can no longer affect the delivery date, the decision to lock your loan is at best a gamble.



## B. Choosing Your Lender

At Laird Group, we offer recommended lending institutions to our buyers. We work with these lenders because of their attention to detail and the service that they provide to every one of our homeowners. However, you may wish to use an outside lender. This is perfectly acceptable, but they will need to be approved by the Community Sales Manager in the community in which you are purchasing, as there may also be fees for using an outside lender. Ask your Sales Counselor for further information.



### Helpful Tips:

- Decide on your lender early. If it is not a Remington recommended lender, get Community Sales Manager approval.
- Present us with a pre-qualification letter from your lender and make formal loan application within 5 days after you have executed your Agreement. This letter will assure us that you have the proper qualifications to purchase the home. Once this is received, we can commence with the construction of your home if it has not yet started.

## C. Loan Application And Processing

Once you have decided on the right Remington Home, you will need to make a formal loan application and provide us with a letter of pre-qualification within the next five (5) business days. Your lender's job is to understand your particular financial circumstances completely. All information on the application will be reviewed at your meeting with the loan officer. Rarely does a situation arise that your loan officer has not encountered in the past. Do not hesitate to discuss any questions you have regarding your assets, income, or credit. By providing complete information, you prevent delays or extra trips to deliver documents.

The amount of documentation and information required for a mortgage can seem overwhelming. You can facilitate the application

process by collecting as much of the needed information as you can before your appointment. To help you, we have included a **Mortgage Application Guide. (Please see Section F.)** The Guide will help you put together information/documentation for the loan officer to begin the loan application. Upon completion, your lender will begin doing the detail work of processing all the information to produce your loan. Three of the major items a lender evaluates when you apply for a loan includes:

1. **Your loan application**, which gives an overall look at your financial condition.
2. **Your personal credit history**. The way you have handled credit payments in the past will help your lender assess how you will repay your mortgage loan in the future.
3. **An appraisal of the home you are purchasing**. Lenders evaluate the approval of loan amounts based on a percentage of the property value. This percentage is referred to as the loan-to-value ratio. The value is based on either the sales price or the appraised amount, whichever is lower.

Your lender will contact you when your loan has been approved. However, it is not unusual for a few conditions to remain before the loan settlement can take place. An example is if you own a home that must be sold first. You must provide proof that the home has been sold and the settlement on that home has taken place before you will be able to close on your new Remington Home.

Please keep in mind that according to the Purchase Agreement, we need you to be loan approved within 30 days. During that time, your lender may ask you for additional information. It is important that you respond to these requests in a timely manner to avoid delays (loan, construction, or the like) or loss of your interest rate. Locking in or guaranteeing your interest rate is a decision that you

make with your mortgage company. Laird Group cannot guarantee the completion of a home until it has reached rough inspection stage, at about 45 days. Therefore, the decision to lock in interest rates is up to you and is done at your own risk.



### **Helpful Tips:**

- Make your formal loan application within 5 days of the date of contract.
- Provide us with a letter of pre-qualification no later than 5 days of the date of contract.
- Respond quickly to requests by your loan officer and provide all necessary information. This information should be completed within 30 days.
- When you receive your written loan approval letter, read it carefully so that you understand any requirements which must be met before your loan is finalized.
- It is important to keep your lender up to date on your financial or employment status.

## **D. Cost Of Loan**

As outlined in your Agreement, you will be responsible for paying typical costs of your loan. This includes, but is not limited to, fees for credit reports, appraisals, recording fees, all preparation fees and miscellaneous lender costs that are involved to process and close your loan. The fees that you will be required to pay will be identified by the lender in the form