

YOUR GUIDE TO

NEW

CONSTRUCTION

FINANCING





BUILDING A NEW HOME?

Homeownership is more than just a financial investment - it's an investment in your future.

Buying your dream home is possible! And with Certainty Home Lending by your side, you can navigate the mortgage process with confidence. This guide is to help you navigate your financing journey and help you know what to expect every step of the way.

After reading this guide, you should be able to:

- Feel comfortable and confident with the new build mortgage process
- Learn the benefits of a new construction home
- Review the Do's and Don'ts to keep in mind before and during the application process
- Find a home that fits your goals and lifestyle

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YOUR GUIDE, HOME.

Certainty has been helping homebuyers and homeowners for over 20 years, with a focus on providing a simple mortgage process and unparalleled customer service. Whether you're a first-time homebuyer or an experienced investor, our knowledgeable and accessible teams are here to guide you every step of the way.

- Quickly discover what you can get pre-approved for with our simple and secure Digital Mortgage
- Benefit from guidance from your experienced loan team to explore our wide array of options and find the home loan that best fits your budget and lifestyle.
- Stay in the loop through the entire process and feel safe with our eClose capability.

Welcome to a simple mortgage process that saves time and allows you to purchase your home as quickly as possible.





BENEFITS OF NEW BUILDS

Purchasing a new construction can come with many perks, including the benefit of having a home in pristine condition that no one else has lived in. What could be better than that? Here are a few other benefits of purchasing a new construction with a home builder:

- **CUSTOMIZATION** - Your clean slate! With a new construction, you can often make choices about the new appliances, flooring options, and paint colors. Many buyers are able to customize their home to fit their price range requirement and their preferences.
- **LOW MAINTENANCE** - No fixer-uppers here! New construction homes can give you peace of mind and come with new plumbing, appliances, and heating and cooling units.
- **EXPANDS OPTIONS** - In competitive markets, it can often be hard to find a home that suits all your needs. Building a new home can help you get just what you want without having to wait for it to come up for sale.
- **ENERGY-EFFICIENT FEATURES** - Many new-construction homes use the latest and greatest when it comes to energy-efficient building materials, which means you could save money on energy costs over time.
- **NEW HOME WARRANTY** - A new construction home often comes with a warranty. This means that any issues that pop up during the warranty period, such as a leaky roof or a broken water heater, should be covered.
- **MODERN FLOOR PLANS** - New construction homes often have modern, wide open floor plans that are bright and welcoming. They are thoughtfully designed to help fit the way people now want and need to live.



DOWN PAYMENTS & COSTS

Coming up with a down payment is often cited as the primary barrier for those wanting to purchase a home. Many people do not know that you don't have to put down the traditional 20% anymore. There are many programs available that allow for less - some even as low as 0% down for qualifying homebuyers! Some popular options include:

MORTGAGE OPTION	AUDIENCE	DOWN PAYMENT REQUIREMENT
Conventional Home Loan	Anyone	Options as low as 3%
FHA Home Loan*	First-time Homebuyers	3.5%
Jumbo Home Loan	Higher Price Tag Buyers	Options as low as 3%
Renovation Home Loan	Renovators	Options as low as 3%
USDA Home Loan*	Rural Home Buyers	0%
VA Home Loan*	Veterans & Service Members	0%

*Certainty Home Lending has no affiliation with the US Department of Housing and Urban Development, the US Department of Veterans Affairs, the US Department of Agriculture or any other government agency.

Explaining Closing Costs

In addition to a down payment, there are other costs that are part of the mortgage process. Closing costs are the costs associated with the origination and underwriting of your loan, and may include recording fees, taxes, appraisal charges, title insurance and more. But don't worry, your Loan Officer will work with you so you have a good sense of what your closing costs will be. They usually total between 3% to 6% of the home's purchase price.



THE NEW BUILD PROCESS

Like any worthwhile venture, the right guidance is crucial in seeing you through your home-buying journey with ease. Our simple mortgage process saves time and allows you to purchase your new home with confidence.

- 1 GET PRE-APPROVED** – Discover how much home you can afford by getting pre-approved with our Digital Mortgage. You'll be armed with the knowledge of exactly what loan amount you can expect to be approved for.
- 2 SELECT YOUR FLOOR PLAN** – Find your dream home with the help of your real estate agent or on-site sales agent at the community. When you find the right home and your offer is accepted, the home will go under contract.
- 3 PROVIDE DOCS & PROCESSING** – We will collect and verify all documents necessary to prepare your loan file for review. Provide any documents requested as quickly as possible to ensure that the process advances quickly and smoothly.
- 4 UNDERWRITING** – Your loan package will be submitted to the underwriting team for review. You'll be notified if you have any conditions that need to be cleared in order to receive a final approval.
- 5 FINAL DETAILS** – Contact your Loan Officer to lock in an interest rate and order an appraisal. You'll also need to select Homeowners Insurance if you have not yet done so. Your builder will let you know when your closing date is scheduled.
- 6 CLOSING DAY!** – It's time to close your loan and get the keys to your new dream home. We'll send you the closing documents package the day before your closing appointment. At closing, you'll sign the remaining mortgage documents and pay any amount still owed.

MORTGAGE OPTIONS

Not sure which loan program is right for you? We're here to help. From first-time homebuyer options to renovation and jumbo financing, we have something for just about everyone. Your dream home is possible.



CONVENTIONAL

One of the most popular financing options out there that can offer great rates to those who qualify.



FHA LOAN*

A popular option for first-time homebuyers with a low down payment and flexible qualifying criteria.



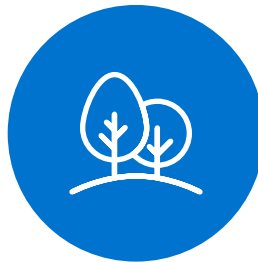
VA LOAN*

Offering a variety of benefits to make homeownership accessible to those who have served our Nation.



DOWN PAYMENT ASSISTANCE (DPA)

Get help with your down payment with a local or state run DPA or bond programs.



USDA LOAN*

An affordable loan option for those seeking a rural location with flexible qualifying criteria. Guaranteed by the USDA.



JUMBO

A jumbo mortgage offers financing for those homes with a price tag that exceeds the conforming loan limits.



LONG-TERM RATE LOCK

Lock in an interest rate with the option to reduce it if the market rates fall during your lock period.



TEMPORARY BUYDOWNS

Interest rate payments are temporarily reduced for the first year (or two) of the home loan.



NON QM/NICHE LOAN

Not every borrower fits neatly inside a traditional set of standards. Non-qualified and niche loans may be able to help!

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LONG-TERM RATE LOCKS

Purchasing a new construction home that may not be ready for a while? Protect your rate! Certainty offers a variety of long-term rate lock options for you to choose from so you can lock in a rate now and protect against a possible rate increase during your construction process.

- Lock in a rate now and avoid possible rate increases in the future.
- Choose from a variety of long-term rate lock terms - up to 360 days*!
- Gain peace-of-mind knowing you're protected from future rate hikes during your home construction period.
- If the lock term is 150 or more, pay an upfront lock-in fee based on the length of your lock term. Ask me for details!
- Utilize this program when refinancing your existing construction loan to a permanent mortgage and lock in your rate during the time it takes to build the home.

*Pricing for long-term locks are based on 60-day pricing with specific rate add-ons determined by the lock term chosen.



DO'S AND DON'TS

There are some important things to keep in mind before and during the loan process to ensure that everything goes smoothly. We understand that obtaining a mortgage can seem like new territory and we're here to guide you throughout your journey. This list of 'Do's and Don'ts' will help you prepare to apply for your home loan.

DO continue making debt payments (if applicable).

DO submit all items requested within 3 days.

DO notify your Loan Officer of any changes in employment or marital status.

DO obtain insurance no less than 7 days after your appraisal has been ordered.

DO notify your Certainty loan team of any special circumstances with the closing of your new home.
(i.e. Using a Power of Attorney or sending closing docs to you at a location other than the title company.)

DON'T change jobs or employers without speaking with your loan team.

DON'T overdraw any accounts.

DON'T attempt to open or increase any credit accounts, including credit cards, loans, or financing a new car.

DON'T obtain and/or deposit unusually large sums of money from a bonus, insurance settlement or a gift without proper documentation.

DON'T close, open or transfer any asset accounts without first discussing with your loan officer.
(i.e. If you transfer all the funds in your stock account to your savings account.)

DOCUMENT CHECKLIST

Here's a list of documents that may be requested during your home buying journey.

INITIAL DOCUMENTATION

- Pay stubs for the most recent 30-day period
- Information on any other income you wish to have considered (part-time income, rental income, etc.)
- W-2's and tax returns for the past 2 years
- Name, address and phone number of landlord for the past 24 months if you have been renting
- Previous 2 months bank account statements (all pages)
- Most recent statements on asset bearing accounts if generated yearly or quarterly (401K, IRA, etc.)

SELF EMPLOYED OR COMMISSIONED APPLICANTS

- Most recent 2 years business tax returns, including all schedules
- Previous 2 years of corporate or partnership tax returns
- Year to date profit and loss statement (self-employed only)
- Current leases on investment properties with rental income

IF APPLYING FOR A VA LOAN*

- Certificate of Eligibility (COE)
- For in-service veterans, Statement of Service and recent Leave and Earnings Statement
- Name and address of child care provider (if applicable)

*Certainty Home Lending has no affiliation with the the US Department of Veterans Affairs.

IF YOU ARE RELOCATING WITH COMPANY BENEFITS

- Copy of company's relocation policy
- Letter from employer stating effective date of transfer and new income
- Copy of entire relocation buyout offer (if applicable)

ADDITIONAL ITEMS IF YOU ARE REFINANCING

- Copy of your survey
- Settlement Statement or Closing Disclosure from purchase of the home
- Most recent mortgage statement on your primary loan (and 2nd lien if applicable)
- Most recent homeowners insurance declarations page on home retained
- Most recent tax bill on home retained
- Copy of HOA dues on property retained (if applicable)





DIGITAL MORTGAGE

You deserve a home financing process that is as simple and transparent as possible. Our Digital Mortgage was created with you in mind. Get pre-approved by visiting our website to get started.

- Apply online 24/7 from the comfort of your own home in just moments. Anytime, anywhere.
- Show home sellers and real estate agents that you are a serious buyer by showing them a pre-approval.
- Upload any required documentation right to your secure online portal. It's easy to use and navigate.
- Get updates and transparent communication throughout every step of your loan process.
- Esign the majority (or even all!) of your closing documents remotely if you choose to.



ASSISTANCE WHEN YOU NEED IT

Want a little more guidance? No problem! We are here to meet with you and discuss your financial and lifestyle goals together and discuss the mortgage application.



COMMUNITY CONNECTION

Certainty Home Lending is committed to building strong and lasting relationships within our communities. Our Community Connection Program* offers the opportunity for us to do so by contributing to a non-profit organization when our customers purchase or refinance a home.

Our vision is to strengthen our communities while helping our customers finance a home.

PROGRAM DETAILS

- Certainty will contribute \$250 in the name of the borrower to their charity of choice.
- The donation will be made once the loan closes and funds.
- Purchase and refinance transactions are able to participate.
- All United States non-profit organizations that have a current 501 (c)(3) status are eligible.

The Community Connection Program provides a way for homebuyers and homeowners to contribute to their favorite charitable organization and leave their mortgage experience knowing that they were able to help others.

2022

The Certainty Home Lending Community Connection Program proudly donated \$105,000 to non-profit organizations during 2022.

*\$250 donation will be made to the charity of choice at time of closing. Donations are valid for all loans closed from 11/01/2022 through to 12/31/2023. Certainty Home Lending is not affiliated with any specific charities, nor does Certainty Home Lending sponsor or endorse any charity. Applicant subject to credit approval. If loan does not close for any reason, donation will not be made. This offer and/or receipt of application does not represent an approval for financing or interest rate guarantee. This offer cannot be redeemed for cash/has no cash value. Restrictions may apply, contact Certainty Home Lending for current rates or more information.



**ENSURING CONFIDENCE
EVERY STEP OF THE WAY.**