

FINANCING A NEW BERKELEY HOME. A SIMPLE GUIDE.



BERKELEYHOMES

LENDING PARTNERSHIPS SIMPLIFY THE PROCESS.

Good news: Getting a mortgage doesn't have to make your head spin. Because of our preferred lender relationships, the Berkeley Homes Financing Program can provide you with the knowledge, experience and customer service you deserve in the mortgage loan process. While you may choose any lender you like, we believe our partners can help you obtain the lowest possible mortgage rates, the best overall financing experience and a loan program tailored to your specific needs.



To help you understand the benefits of the Berkeley Homes Financing Program, these are the answers to many frequently asked questions:

ARE THERE OTHER BENEFITS TO USING A PREFERRED LENDER? Our preferred lenders are eager to grow their businesses, and as a result, they are very competitive. They realize that Berkeley Homes represents a steady source of customers, so they do everything in their power to provide the best possible service at the lowest possible cost.

CAN BERKELEY HOMES' PREFERRED LENDERS OFFER THE SAME SPECIAL PROGRAMS AND INTEREST RATES THAT I SEE IN THE NEWSPAPER? Yes. Because we have several lenders, they can find the most competitive programs in the market. Buyers should carefully read the fine print that is so often associated with advertisements for below-market rates or no-money-down programs. Many buyers cannot qualify for no-money-down programs, and once loan fees are included, many below-market interest rates actually have above-market annual percentage rates (APR). We are confident that our lenders provide our buyers with the best overall value when all aspects of the loan are considered.

HOW IS THE BERKELEY HOMES PROGRAM DIFFERENT FROM THE PROGRAMS MOST HOMEBUILDERS OFFER? Many homebuilders have created their own in-house mortgage companies as a way to earn additional profits on the sale of a new home. Berkeley Homes does not receive any portion of the fees paid to its preferred lenders, allowing them to provide you with financing at the lowest possible cost.

CAN'T I GET A BETTER DEAL IF I USE A FRIEND OR RELATIVE IN THE MORTGAGE BUSINESS? Probably not. Mortgages are a commodity, and the larger lending institutions tend to get the best pricing. Competitive pricing combined with the builder's incentive is nearly impossible to match unless the friend or relative is willing to lose money on the loan.



HOW DOES BERKELEY HOMES CHOOSE ITS PREFERRED LENDERS? We receive dozens of requests each year from lenders who want to become a Berkeley Homes preferred lender; however, most of our lenders have been with us for many years. When an opportunity is available, we seek out the most experienced loan officers who are backed by solid mortgage companies with proven track records. We carefully examine their systems for providing the best customer service, and once we select them, we monitor the results with our buyers to ensure that they are maintaining our high standards.

IF BERKELEY HOMES DOESN'T MAKE ANY MONEY ON THE LOAN, WHY NOT JUST LET BUYERS CHOOSE THEIR OWN LENDER? Buyers may choose their own lender; however, Berkeley Homes provides incentives to use a preferred lender for a number of reasons. Most of the lenders have worked with us for a long time and know how we run our business, so they have learned how to make the process run as smoothly as possible, which benefits everyone involved. This allows us to track the progress of multiple loans with just a few phone calls, and as a result, we get more accurate and timely information. This information helps us solve problems as they arise and ensures that deadlines are met, closings occur as planned and move-in dates are not delayed.

WHAT HAPPENS IF THE LENDER WE CHOOSE IS UNABLE TO PROVIDE US WITH A MORTGAGE DUE TO UNFORESEEN PROBLEMS? Once again, the benefit of having multiple lenders is that if one lender is unable to provide a mortgage loan, another lender may have a program that will work for you. There are literally hundreds of different loan programs, and no single lender has access to all of them. If you are having problems obtaining financing, we can direct you to a lender that may be able to help.

WHY ARE THE INCENTIVES SO LARGE TO USE A BUILDER'S LENDERS? In the case of other builders' in-house lenders, builders are willing to give up some of the profits on the home because they know they will earn it back through the financing. With the Berkeley Homes Financing Program, you choose the lender with the most competitive rates and fees and then get the incentive in addition, just for helping us make the process run more efficiently. In the end, you get the best rates, the best service, the lowest possible costs and a financing incentive that truly helps you lower the cost of your new home.



WHY DOES BERKELEY HOMES HAVE MORE THAN ONE LENDER TO CHOOSE FROM AND WHICH ONE SHOULD I CHOOSE?

By having two or three lenders for each community, Berkeley Homes has established an environment where the lenders have to compete with each other for the buyer's business. That means the lender that provides the best service, rates and fees is probably going to get the most business. Without competition it is very easy for lenders to include additional fees or charge higher interest rates. We recommend calling at least two of our preferred lenders to compare programs, rates and fees so you can choose the lender that works best for you.

WHY IS COMMUNICATION BETWEEN THE LENDER AND THE BUILDER SO IMPORTANT? Often, your purchase contract is contingent on obtaining a mortgage loan. It is critical that information regarding the loan be supplied quickly so that the loan can be approved. Thirty (30) days after the contract date, earnest money deposits become nonrefundable, so it is best for all parties involved to know whether the loan will be approved to avoid losing the deposit. Delays in approvals may also delay construction because most builders are reluctant to personalize a home without knowing for sure that a closing will occur. Our preferred lenders know our timetables and work diligently to adhere to them.

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