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## MASTER SPONSOR NEW JERSEY BUILDERS ASSOCIATION

2-10 Home Buyers Warranty® is proud to have the opportunity to be a MASTER SPONSOR of the New Jersey Builders Association for the thirteenth consecutive year. As the original warranty company sponsor of the NJBA MASTER SPONSOR PROGRAM, we feel a strong affinity with the Association's members and a special obligation to provide the highest possible level of service. To ensure that we can deliver that service, we have three full time New Jersey Risk Management Specialists.

Other powerful benefits that are available only through 2-10 Home Buyers Warranty are:

- Competitive Pricing, which makes 2-10 Home Buyers Warranty's unequalled coverage an even greater value.
- Rock Solid Coverage, which meets all the state's insured warranty requirements and provides full liability coverage for major structural defects from the date of closing.
- Unparalleled Financial Strength provided by a strategic alliance with multiple reinsurers.
- Modular and Manufactured Home Warranty Programs
- Remodeler's Warranty Program
- Light Commercial Warranty Program
- Construction Lender Warranty Program
- Extended Warranty on Systems and Appliances

Please call us toll free at 800.488.8844 for more information on our products and services.

**GOOD FOR BUILDING, GOOD FOR BUSINESS, GOOD FOR NEW JERSEY!**



You should have now completed the necessary documents for your registration. On the following pages you will find the forms needed for the enrollment process of our program.

### **NOTIFICATION OF CONSTRUCTION AND INSPECTION**

We will need this form completed per subdivision or individual lot that you are building in/on, and forwarded to us. This form advises us what requirements are needed on the home.

### **NOTIFICATION OF CLOSING**

The Notification of Closing is required by us in order to issue the final documents needed for your closing. Once we have received Your Notification of Closing along with the Warranty Fee, and provided all Risk Management requirements have been met, we will issue a Certificate of Participation (COP). You will need the COP to obtain the Certificate of Occupancy from Your building department. You will also need the COP at closing for the signatures of both Seller and Buyer.

The Warranty Booklet which You will provide to Your Homebuyer at closing will be included in the packet that contains the Certificate of Participation.

If you have any further questions concerning our enrollment procedures, please do not hesitate to contact us at (800) 488-8844.



MAIL TO:
2-10 Home Buyers Warranty
P.O. Box 371348 | Denver, CO 80237-1348 | 800.488.8844

NOTIFICATION OF CLOSING

PLEASE PRINT OR TYPE

- 1. Builder Name: HBW Builder #:
2. New Jersey State Registration #:
3. Homebuyer(s):
4. Address of Home:
5. City: State: Zip:
6. Municipal Code:
7. Block #: Lot #: Subdivision:
8. Sales Price:
9. Is lot included? (Check one) Yes No
10. Type of Home: Single Family Detached, Three-Family, Two-Family, Townhouse, Condo, Duplex
11. Const. Type: Low Rise (1-2 story), Site Built, Mid-Rise (3-5 story), Modular, High Rise (6 story or greater), Manufactured on Permanent Foundation
12. \*Common Element Date: / / Condos & Townhouses
13. FHVA/VA Financing: Yes No
14. Contact Name & Phone: Closing Date:

PLEASE RETURN THIS FORM ALONG WITH THE FINAL PAYMENT AS INDICATED BELOW.

15. Rate Formula

Final Sales Price ÷ 1,000 = Rate x Basic Warranty Fee x 1.25 = Final Warranty Fee

HBW's standard shipping is UPS ground for the Certificate of Participation.
If overnight shipping is preferred, please provide the following:

Preferred Shipper:
Shipper Authorization #:

OFFICE USE ONLY
Entered By:
Date:



## NOTIFICATION OF CONSTRUCTION & INSPECTION

A. Builder Name: \_\_\_\_\_ HBW Builder No: \_\_\_\_\_

Person Filing: \_\_\_\_\_ Phone No.: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Subdivision Name (if applicable): \_\_\_\_\_  
MO. DAY YR.

Home to be Built In: \_\_\_\_\_  
CITY COUNTY STATE

Name of Jurisdictional Building Department: \_\_\_\_\_

**B. Type of Home(s) to be built: *Check the proper box(es).***

- 1. Single-Family Detached (if subdivision, how many homes are you building in this subdivision?) \_\_\_\_\_
- 2. Single-Family Attached (Check which if the following apply)  Duplex  Triplex  Quadruplex  Row House
- 3. Multi-Family (Check which of the following apply)  Low-Rise  Mid-Rise (3-5 Stories)  High Rise  Apartments
- 4. Other Complete for items 2 through 4: How many buildings? \_\_\_\_\_ How many total units? \_\_\_\_\_  
Will wood be used in common element external stairs or landings?  Yes  No

**C. Type of Construction: *Check the proper box.***

- Site Built  Modular  Manufactured on Permanent Foundation

D.  Check here, if the homes are to be built in an area that contains expansive or consolidating soils.

If this box is checked, the Final Grade Certificate inspection will be conducted by: ***Check the proper box.***

- 1.  Land Surveyor 2.  Engineer 3.  HBW Staff/Fee Inspector

**E. Foundation(s) to be built on: *Check the proper box(es).***

- 1.  Virgin Ground 2.  Existing Fill 3.  Compacted Structural Fill
- 4.  Hillside/Massive Fills with Steeper Than 2:1 Slope 5.  Expansive Soils 6.  Consolidating Soils

**F. Type of foundation(s) to be built: *Check the proper box(es).***

- 1.  Conventional Spread Footing (35)
- 2.  Conventional Spread Footing Foundation Wall / Drain (6)
- 3.  Drilled Piers / Foundation Wall / Drain (11)
- 4.  Drilled Piers / Grade Beam / Structural Wood Floor (56)
- 5.  Drilled Piers / Post Tensioned Slab on Grade (30)
- 6.  Drilled Piers / Structural Rebar Slab on Grade (31)
- 7.  Driven Piles / Post Tensioned Slab on Grade (40)
- 8.  Driven Piles / Structural Rebar Slab on Grade (31)
- 9.  Engineered Spread Footing / Drain (7)
- 10.  Interrupted Footing or Pads (8)
- 11.  Post-tensioned Slab on Grade (32)
- 12.  Structural Rebar Slab on Grade (33)
- 13.  Wall On Grade (10)
- 14.  Wood Foundation (14)
- 15.  Helical Piers

**INDIVIDUAL LOT BUILDERS**

This form is to be filled out for each Notification of Starts (N.O.S.) submitted to Home Buyers Warranty Corporation (HBW) prior to beginning construction on any home to be enrolled in the 2-10 Home Buyers Warranty® program. If the information required to complete this form is not available when the N.O.S. form is ready for submission to HBW, send N.O.S. form to HBW by itself and forward the completed form to HBW immediately upon completion of the home. For condominiums, this form must be submitted to HBW for each condominium project.

**SUBDIVISION AND MULTI-FAMILY BUILDERS**

This form is to be filled out and included with the first (1st) Notification of Starts (N.O.S.) form submitted to Home Buyers Warranty Corporation (HBW) for each subdivision being enrolled in the 2-10 Home Buyers Warranty® program, prior to beginning construction on any of the homes. Subdivision builders only need to resubmit this form with additional N.O.S. forms submitted from the same subdivision if the information on this form has changed. If the information required to complete this form is not available when the first (1st) N.O.S. form from each subdivision is ready to be submitted to HBW, send N.O.S. form to HBW by itself and forward the completed form to HBW immediately upon completion of the home. For condominiums, this form must be submitted to HBW for each condominium project.

OFFICE USE ONLY	
NOC #:	_____
BLDG. DEPT. #:	_____
FOUNDATION TYPE:	_____
SOIL REPORT:	_____
HOME TYPE:	_____
ENTERED BY:	_____
DATE:	_____







## RISK MANAGEMENT REQUIREMENTS for High-End Homes, Attached Homes and Multi-Family Buildings

Listed below are the Risk Management Enrollment Requirements for High-End Single-Family Detached, Attached, and Multi-Family Structures. This is a one page summary only. More detailed information is provided in the following pages. Note that these requirements are in addition to any/all other enrollment requirements of the HBW program:

- Enrollment of any Home with a sales price of \$1 million and above must be pre-approved by Risk Management.
- Enrollment of any Home in a Single-Family Attached or Multi-Family structure having a combined sales price of all units in a building of \$5 million or above; must be pre-approved by Risk Management.
- Warranty Limit is \$10 million per structure.
- Building Height Limit is 5 stories.
- Attached Housing Notification of Starts (Form HBW 220) must be completed prior to enrollment of any Home in a Single-Family Attached or Multi-Family structure.

Questions concerning these enrollment requirements or the acceptability of any high-end home or multi-family project may be directed to HBW Risk Management.

### HIGH END HOMES

HBW Risk Management must review and approve all Homes with a sales price of \$1 million and above prior to enrollment.

- **Homes \$1 Million to \$2 Million.** Homes with a sales price between \$1 million and \$2 million require an inspection by a HBW-approved fee or staff inspector reporting results directly to Risk Management.
- **Homes \$2 Million to \$5 Million.** Homes with a sales price between \$2 million and \$5 million require an inspection by a HBW-approved fee or staff inspector reporting results directly to Risk Management. Inspection by fee or staff inspector must be accompanied by photos. Inspection by HBW-approved engineer is acceptable without photos.
- **Homes \$5 Million and above.** Homes with a sales price of \$5 million and above must have a geotechnical investigation and report conducted and prepared in compliance with HBW specifications; must include complete foundation and structural plans; and must be inspected by an HBW-approved engineer reporting results directly to Risk Management.

**Exceptions:** Risk Management may accept photographs in lieu of inspection on homes between \$1 million and \$2 million provided builder has been active in HBW program a minimum of one (1) year; has a satisfactory claims history; is not building in a Special Standards or other high risk area; photos show at a minimum home from all four sides; front, back, and side yards; and there are no retaining walls, slopes, fill, or other potentially hazardous geological conditions on property that may affect foundation performance.



## RISK MANAGEMENT REQUIREMENTS

### Risk Management Review and Approval Procedures

#### SINGLE-FAMILY ATTACHED AND MULTI-FAMILY

All single-family attached or multi-family structures having a combined sales price of all units in a building of \$5 million or above, and all renovated housing, must be pre-approved by Risk Management prior to the enrollment of any unit in the building.

- ▶ Attached or Multi-family structures with a combined sales price of all units in a building above \$5 million must have a geotechnical investigation and report conducted and prepared in compliance with HBW specifications; must include complete foundation and structural plans prepared by a state-registered professional engineer; and must be inspected by an HBW-approved engineer reporting results of inspections directly to Risk Management.

#### SINGLE-FAMILY DETACHED HOMES

- ▶ **Warranty Limit is \$10 Million.** No single-family detached home with a sales price exceeding \$10 million may be enrolled in the HBW Warranty Program.

**Exceptions:** In the Special Standards and Investigative Areas of Colorado, Oklahoma, Texas, and Mississippi, no home with sales price exceeding \$5 million may be enrolled in either the 2-10 or 10-year unless underlying soils are low or non-expansive; or Risk Management pre-approval is obtained.

#### SINGLE-FAMILY ATTACHED AND MULTI-FAMILY BUILDINGS

All single-family attached or multi-family structures having a combined sales price of all units in a building of \$5 million or above, and all renovated housing, must be pre-approved by Risk Management prior to the enrollment of any unit in the building.

- ▶ **Warranty Limit per building is \$10 million.** No home or unit may be enrolled in any single-family attached or multi-family structure having a combined sales price of all units in a building exceeding \$10 million.
- ▶ **Building Height Limit is 5 stories.** No unit in any building having a height of 6 or more stories, exclusive of parking structures, rooftop structures or other uninhabitable space, may be enrolled.

**Exceptions:** In the Special Standards and Investigative Areas of Colorado, Oklahoma, Texas, and Mississippi, no home with sales price exceeding \$5 million may be enrolled in either the 2-10 or 10-year unless underlying soils are low or non-expansive; or Risk Management pre-approval is obtained.





## ANSWERS TO BUILDERS' QUESTIONS ABOUT THE 2-10 HBW FILL PROVISION

Your Builder Proposal and Agreement, Section 8, paragraph 2 requires:

All fill placed by builder which carries the load of the foundation must be

- uniformly compacted throughout the complete depth of the fill to the density specified by a registered professional geotechnical engineer;
- free of all organic and metallic materials that deteriorate with the passage of time and in the presence of moisture; and
- supported by natural soil under the fill which has sufficient strength and density to support the load of the fill above without total consolidation exceeding that which could cause a qualifying Structural Defect.

### 1. How does the Builder satisfy the HBW Fill Provision?

When the Builder builds a home on a lot where any fill will be used under the foundation no matter how small the fill area, the Fill Provision requires:

- A. **LOT PREPARATION** to the following standards:
  - a. Remove all surface vegetation, trash, debris, etc.
  - b. Excavate all "soft" subsurface soil layers, and soil layers that contain organics or metallic debris, per the builder's geotechnical engineer's recommendations.
  - c. Excavation depth must extend to natural soils that have sufficient strength and density to support the load of the fill above.
- B. **FILL PLACEMENT** to the following standards:
  - a. All fill soils should be placed under the supervision of a geotechnical engineer, but, as a minimum, fills must be placed in a series of lifts with each lift no more than 12 inches in depth and each lift uniformly compacted throughout the complete depth of fill to the density specified by the Builder's geotechnical engineer.
  - b. Note: the Builder must maintain proof that all fill soils were placed and tested in accordance with the geotechnical engineer's recommendations.

### 2. What if a Home will be constructed on a lot that was purchased from a developer?

2-10 HBW recommends that the Builder's geotechnical engineer perform soil testing on each lot that was purchased from a developer in order to confirm that all fills or suspected fills were placed in accordance with the requirements stated in paragraph 1, above. Why? This is the only way the builder can be sure of the quality of fills placed by the developer. In joining the 2-10 HBW Program, the Builder assumes all liability when a Structural Defect is due to improperly placed fill.

### 3. Why can't you substitute footing/foundation inspections or pad compaction tests for a geotechnical design with associated testing?

Consolidation can occur at any level within improperly placed fill or within natural soil that is too weak to support the fill above. Inspections and tests that are confined to the top layer of the fill pad do not determine the deeper fill's ability to support the foundation and prevent fill consolidation from occurring.

### 4. Why should the Builder satisfy the 2-10 HBW Fill Provision?

If requirements of the Fill Provision are not satisfied and the home experiences a fill consolidation-related qualifying Structural Defect, the Builder, under the terms of the BP&A, will be required to reimburse the Warranty Insurer for the costs to repair the Structural Defect.

### 5. What is the cost of repairs for a qualifying structural defect caused by fill consolidation on a typical home?

Our experience in 2006 indicates that the cost to repair a home with a qualifying structural defect caused by fill consolidation averaged \$50,000.