

INSTRUCTIONS TO BUILDERS FOR COMPLETING CERTIFICATES OF PARTICIPATION

Block 1: Owner

Enter the name of the purchaser who will be the first occupant. Note that a person who contracts with a general contractor for the construction of a new home for the purpose of selling the home must register as a new home builder and provide the warranty on the new home to be sold.

If the first occupant will be a renter, enter "rental" in the space for name of owner. If there is no purchaser at this time, enter "for sale" in the space for name of owner. A letter from the principal of the new home building business or a realtor is required, stating the fair market value of the new house. See also the back of this sheet.

If the home is a two-family structure, two separate Certificates need to be completed. Note that a two-family structure can only be warranted if the structure is covered by a single title (i.e., the units cannot be sold separately).

An additional form "Certification in Lieu of Oath for the Purchaser of a Two-Family House" is required to be submitted by the builder.

If the Certificate is used for the common elements of a structure, enter the name of the condominium development in this block. A separate Certificate of Participation is required for each individual building in a condominium development.

For condominiums, when submitting the Certificate for the first unit in the development and for common elements, submit a building and unit layout to show how many units are in each building and how many buildings are in the development.

Block 2: Registered Builder – Warrantor

Print the name of your new home building business, the mailing address, and phone number as they appear in your new home builder registration application. (Note: The mailing address should be the address that the homeowners will use to notify you if they require any warranty follow-up services for their home.) Enter your new home builder registration number. **Print the name of the individual signing the Certificate and have that individual sign it.** This individual must be a principal of the business specified in the new home builder registration application.

Block 3: New Dwelling Location

Print the street name and number, city, and zip code for the new dwelling. If the home is in a multi-unit structure, include the building number, unit number, and total number of units in the building. Enter the block and lot number and the names of the municipality and county.

If the Certificate is for common elements, send a completed Certificate for each separate building in the condominium development. In the space marked "building," specify the name, number, or letter of the building. In the space marked "unit number," specify which units (for example, 1A through 2D) are included in the structure.

Block 4: Commencement Date of Warranty

Enter the date planned for the closing or first occupancy, whichever will occur first, as the commencement date of the warranty. For FHA mortgages, this date must be the closing or settlement date. If no purchaser at this time, see back of sheet. Allow 20 business days for processing.

Block 5: Premium Payment

A premium is not required if the Certificate is for common elements in a condominium development. **The Program reserves the right to request additional information and/or documentation, if necessary.** For a two-family structure, use one-half of the selling price of the entire structure as the selling price for each Certificate.

Complete only section a or b, not both.

- Enter the selling price if the transaction between the builder and purchaser involves a transfer of title to the property. Use the rate provided with your builder registration or call the Program to verify the rate to use. Then calculate the premium by multiplying the rate by the selling price. Enter the premium and rate in the spaces provided.
- If the transaction between the builder and the purchaser does not involve the transfer of title to the property, check the box marked "house is constructed on owner's lot." Enter the total contract price in the space provided. Calculate the premium by multiplying the total contract price by 1.25 and multiplying that amount by the rate provided with your builder registration. Enter the premium and rate in the spaces provided. Do not write in the box marked "For Office Use Only."

Block 6: FHA Mortgage

Check the box if the purchaser is obtaining a FHA mortgage. If so, enter the 10 digit FHA case number.

Check the box if the purchaser is obtaining a VA mortgage. If so, enter the VA case number.

If the home is occupied prior to settlement (for example, if the home is rented), FHA does not authorize the State Plan to provide warranty coverage for the home.

Block 7: Exclusions

If there are exclusions from the warranty, check the appropriate box and complete and attach an exclusion sheet. Note that a warranty is not applicable if the purchaser has contracted with someone other than the builder for either the mechanical, electrical, framing, or foundation, other than piling foundation.

Block 8: Building Type

Check the appropriate box for type of building. A single family house is a house with one dwelling unit. A townhouse is a single family attached home in which each unit is separated from adjoining units by a wall that extends from ground to roof, no unit is above or below another unit, each unit has a separate heating system, and each unit has separate utility meters. For a two-family structure, indicate the location of each unit (side by side, top and bottom). Condominiums can be three and four units (families) in each building or five or more units (families) in each building in the development.

Block 9: Construction Type

Check the appropriate box for type of construction. Premanufactured includes industrialized or modular, pre-made in factories, construction. Conventional includes stick built, on-site construction.

Block 10: Stories

Specify the number of stories above ground level for the home. Do not count a basement as a story.

Block 11: Owner Type

Check the appropriate box for type of ownership. Check the box for condominium if ownership pursuant to a master deed provides undivided interest in common elements. Check the same box for cooperative if the title to the land and structure is owned by a corporation or other legal entity and the co-owners/shareholders have a long term lease or arrangement for possession of a dwelling unit. If the deed to the home is free of any condition, limitation, or restrictions (fee simple), check the appropriate box, depending on whether or not there is a homeowners' association.

Block 12: PRED

For condominium, enter the Planned Real Estate Development (PRED) Registration Number (R and digits) or the PRED Exemption Number (E and digits).

Failure to provide any required information will result in a processing delay.

AT LEAST 20 DAYS PRIOR TO THE DATE SETTLEMENT IS SCHEDULED, SUBMIT A COMPLETED CERTIFICATE OF PARTICIPATION AND SEND ALL FIVE COMPLETED COPIES, ALONG WITH THE PREMIUM PAYMENT IN THE FORM OF A CHECK MADE PAYABLE TO: STATE OF NJ, NHWP.

Check must be from:

- Registered builder-warrantor;
- Principal in the new home building business; or
- A **certified** check will be accepted from anyone other than the purchaser of the new home or the purchaser's representative.

One check is acceptable for both Certificates for a two-family structure.

The five copies of the Certificate will be validated and four of the five validated copies will be returned to you for distribution to the following:

- The municipal copy (when validated) is to be provided to the local construction official when applying for a certificate of occupancy. A validated copy is required before a temporary or permanent certificate of occupancy is issued.
- The owner copy is to be provided to the purchaser at settlement or when occupancy is given by you, together with a certificate of occupancy. You must also provide the purchaser with a Homeowner's Booklet.
- The mortgage copy is to be provided to the mortgage company, if applicable.
- The builder copy is for your records.

NOTICE TO BUILDER: No changes can be made to blocks 2, 3, 4, and 5 without the prior approval of the New Home Warranty Program. The Program reserves the right to inspect any home prior to settlement. If you need to make any changes to the selling price and/or commencement date, please provide the Program with a minimum of three (3) weeks notice in order to schedule an inspection, if necessary. Any premium payment and/or Certificate that is not received prior to settlement or first occupancy will be subject to a late payment fee.

CONTRACTS NEED TO BE SUBMITTED WITH WARRANTY APPLICATION

NOTICE TO BUILDERS

IF THERE IS NO PURCHASER OF THE NEW HOME AT THIS TIME, BUT YOU HAVE A SALE WITHIN SIX (6) MONTHS OF THE COMMENCEMENT DATE YOU NOTED IN BLOCK 4:

1. You need to notify the New Home Warranty Program to change the commencement date in order to provide the purchaser with the full 10 year limited warranty on the new home. Please call 609-633-3994.
2. You will be instructed to forward a copy of the settlement papers to the Program for verification.
3. Any change to the selling price in Block 5 must be reported to the Program along with supplemental payment if applicable.

IF THERE IS NO PURCHASER OF THE NEW HOME AT THIS TIME, BUT YOU HAVE A SALE SIX (6) OR MORE MONTHS AFTER THE COMMENCEMENT DATE YOU NOTED IN BLOCK 4, the commencement date will also have to be changed to provide the purchaser with the full 10 year limited warranty on the new home. In order to make this change, you must do the following:

1. At least four (4) weeks prior to the anticipated closing or settlement date, you must submit a copy of the contract to the Program along with your request for an inspection.
2. The Program will contact you to schedule an inspection.
3. Any change to the selling price in Block 5 must be reported to the Program along with supplemental payment if applicable.

IF THE NEW HOME IS FIRST PUT TO USE AS A RENTAL, you must notify the Program in writing, along with a copy of the lease. The commencement date begins when the home is first put to use. Any future purchaser will be given an assignment of the remaining portion of the warranty.



Certificate of Participation in the New Home Warranty Security Fund

Owner Check if for Common Elements*

1 _____
 Name of Owner who will be first resident.
 * When used for common elements, enter name of condominium development. See builder instructions sheet. A separate Certificate of Participation is required for each individual building in a condominium development.

Registered Builder-Warrantor**

2 _____
 Name _____
 Street and Number (Mailing Address) _____
 City _____ State _____ Zip Code _____
 Phone Number _____
 NJ Builder Registration Number _____
 Print Builder Name _____

 Registered Builder's Signature
 **A person who contracts with a builder and transfers title to a homeowner must be the registered builder and apply for the warranty.

New Dwelling Location

3 _____
 Street Name and Number _____
 Building Number Unit Number Total Number of Units in Building _____
 City _____ Zip Code _____
 Block Number _____ Lot Number _____
 Municipality _____ County _____

Commencement Date of Warranty

4 Commencement Date*** _____
 Month Day Year
 *** The date of closing or first occupancy, whichever occurs first. ANY CHANGE IN THE COMMENCEMENT DATE MUST BE REPORTED TO THE PROGRAM.

Premium Payment

5 a. Selling Price **** \$ _____
 Amount of Premium \$ _____
 (Rate _____ x Selling Price)
 **** Any change in the selling price and premium must be reported to the Program along with supplemental payment if applicable. A premium payment is not required if this certificate is for common elements in a condominium development.

b. Check if house is constructed on owner's lot. Then calculate warranty premium as follows:

Total Contract Price _____	For Office Use Only
Amount of Premium \$ _____	
(1.25 x Total Contract Price x Rate _____)	

FHA Mortgage

6 Check if FHA Mortgage
 FHA Case Number _____
 Check if VA Mortgage
 VA Case Number _____

Exclusions

7 Check if exclusion sheet is included

Building Type (check one)

8 Single family detached (101) Condominium - three or four units in each building (104)
 Townhouse (102) Condominium - five or more units in each building (105)
 Two Family (103) Side by Side
 Top/Bottom

Construction Type (check one)

9 Premanufactured (industrial or modular) (M)
 Conventional Construction (C)

Stories

10 Number of stories _____

Owner Type (check one)

11 Condominium or Cooperative (C)
 Homeowners' Association - fee simple (H)
 No Homeowners' Association - fee simple (N)

PRED

12 PRED Registration or Exemption Number (R or E)

Note to Owner:

Any discrepancy with information in blocks 1, 3, 4, and 5 on this certificate must be reported to the New Home Warranty Program within 45 days from its receipt. Your Builder/Warrantor must give you a Homeowner's Booklet with this certificate. If you did not receive it, write to the above address.

This certifies that the described new dwelling unit carries a limited warranty issued pursuant to the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et seq.

This certificate is not valid if the dwelling is not a new home as defined in N.J.A.C. 5:23-1.3. The dwelling is not a new home if it is built on any portion of a foundation that once supported a structure that no longer exists or that had been renovated.

VALIDATION STAMP

WARRANTY NUMBER



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 Print Builder Name _____

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Certificate of Participation Check List

Before submission of the Certificate of Participation forms via physical mailing or drop off at the Department of Community Affairs building, please read the instructions on the first page and be sure all information is correct and all required fields are filled out properly. Any issues with the application will result in processing delays and applications with numerous deficiencies will be returned back to sender.

As a courtesy, the New Home Warranty Program has compiled a checklist below of the most frequent issues applicants have when submitting Certificate of Participation. Builders who follow this list will greatly reduce the chances of submitting incomplete and deficient applications.

Application

- In Block 2, the printed builder name and signature is a principal of the registered building business.
- In Block 2, the builder contribution rate ranges from 0.00170 to 0.00595 and is dependent on the builder's record. For inquiries on the current builder contribution rate please call (609) 984-7910.
- In Block 4, the commencement date is 20 to 30 business days after the planned submission of the application.
- If an exclusion sheet is applicable, Block 7 is checked on the application and the required exclusion sheet is attached to the corresponding warranty application.
- The application, when finished, is printed out on U.S. legal size paper (8.5 x 14.0 inches).

Supporting Documentation

- Contracts are to be attached to the corresponding warranty application and signed by a principal of the registered building business.
- If there is no purchaser at this time, type in "For Sale" in Block 1 and attach a letter from a principal stating the fair market value.

Premium Payment

- Check is addressed to the "New Home Warranty Program"
- Check maker is the registered building business as specified in Block 2 of the application.
- Check fee amount is identical to the amount specified in Block 5 of the application.
- Check is signed by a principal of the registered building business.

Print this document **on U.S. legal size paper (8.5 x 14.0 inches)** and have a principal of the registered building business **sign each of the duplicate copies** of the warranty application in Block 2. Mail or drop off the application package at the address indicated below. Please allow 20 business days for processing of paperwork.

NJ Department of Community Affairs

Division of Codes and Standards

Bureau of Homeowner Protection

New Home Warranty Program

PO Box 805

Trenton, NJ 08625-0805