

Financial Statement Requirements

C Corporation or Subchapter S Corporation

Submit Audited or Reviewed Corporate Financial Statement.

- If the Financial Statement supplied is a compilation, a copy of the company's tax return, including all schedules, will be required.
- If corporate statement meets MHWC equity requirements, no personal financial information or Surety Agreements will be required.
- If corporate statement does not meet MHWC equity requirements, a personal financial statement and Surety Agreement will be required from the principal(s) and spouse(s), if married. An alternate security is also acceptable. See below for options.

Partnership, Limited Partnership or Limited Liability Corporation

Submit personal financial statement and Surety Agreement signed by principal(s) and spouse(s), if married. If personal financial statement lists the company's net equity as an asset, a copy of the company's tax return, including all schedules, is required.

Sole Proprietorship

Submit personal financial statement. If personal financial statement lists the company's net equity as an asset, a copy of schedule C from your 1040 is required. Blank financial forms are available from MHWC for your convenience if you do not have a prepared statement.

Alternate Forms of Security

In the event additional financial security is required for membership approval, any of the following options are acceptable. Letter of Credit/Surety Bond must be issued under the same name as shown on the Membership Application.

Amount of Security - Contact your MHWC Account Executive

Term of Security - 13-14 Months - Varies based on option used.

- 1. Letter of Credit** - Document prepared by bank. Submission Agreement regarding LOC also required.
- 2. Surety Bond** - Prepared by an MHWC-approved bond company. A Submission Agreement regarding Bond is also required. Contact your Account Executive for Bond application.
- 3. Escrow Agreement** - Funds held by MHWC in an interest bearing account. Escrow Agreement and a Certified or Cashier's Check are required.
- 4. Certificate of Deposit** - Prepared by bank but original held by MHWC. If CD is in Builder's name as opposed to MHWC, CD Assignment also required. Only photocopy of original CD must be submitted.

Methods for Membership Application

to



10 Year New Home Warranty Program

1-800-247-1812

Fax: 717-561-4494

www.mhwconline.com

Methods for Application to MHWC

Regular Approval

Cost: \$295 Annual Registration Fee

Time: 10 business days

Requirements

1. Primary Information Application complete with telephone numbers.
 2. Warranty Membership Application complete with telephone numbers and Builder's signature.
 3. Signed Membership Agreement. If Sole Proprietorship and married, spouse must also sign.
 4. Appropriate current financial statement (*Refer to page 3*).
 5. Most current Corporate Federal Tax Return. If Sole Proprietor, only Schedule C is needed.
 6. Alternate forms of security may be required (*Refer to page 3*).
 7. Complete Grandfather Form -- Unoccupied Homes Only
 - a. Completed homes, **or homes to be completed within 30 days, pay a \$75 Underwriting Inspection Fee up to a maximum of 3 homes, or \$225.** (Single wide homes excluded.) (***Colorado has special requirements. Contact MHWC for details.**)
 - b. If you have more than 3 completed homes and/or completed single wide homes that are not occupied, send \$50 deposit for each. Grandfather inspections only required on a maximum of 3 completed homes and are not required on single wide homes.
- PLEASE NOTE:** ALL homes in inventory or sold must be listed on the Grandfather Form and submitted with the application package. Additional homes to be grandfathered MAY NOT be added later, after membership is approved.
8. Annual Registration Fee.
 9. Incentive Program Agreement and program participation fee, if company qualifies.

Note: Special Circumstances

1. If Builder sold less than 10 homes in the last 3 years and/or has not been in business for at least 2 years, an alternate form of security is required for membership. The amount of security needed will be based on the projected sales volume to be enrolled with MHWC.
2. If Builder does not meet MHWC standard screening criteria, an alternate form of security may also be required.
3. **Colorado Builders** are required to either provide an alternate security (*for options see page 3*), or join the MHWC incentive program, if you qualify. Please contact your Account Executive for complete details.

Rush Method for Application to MHWC

Rush Approval

This method was created for Builders who need approval in less than 10 business days. This option may be used if:

- Proof of warranty membership is required before county-issued building permits can be released; or
- Closing is to be held within next 10 days.

Cost: \$295 Registration Fee

Time: 1 business day

Requirements

1. Same as Regular Approval and
2. MHWC will be able to issue a warranty within 1 business day of receipt of the **complete** application package **including** alternate forms of security, if applicable, and appropriate fees. The screening will then be completed within the regular 2 week time frame. If the MHWC requirements are met, the Builder's membership will be approved for 1 year. If the MHWC requirements are not met, the Builder's membership will not be approved.

Send Rush Application by overnight delivery to:

MHWC

Attn: Membership Department

5300 Derry Street

Harrisburg, PA 17111-3598

Phone: 1-800-247-1812

For rate information,
contact your Account Executive.

Most of MHWC's application forms are posted online for your convenience at www.mhwconline.com.