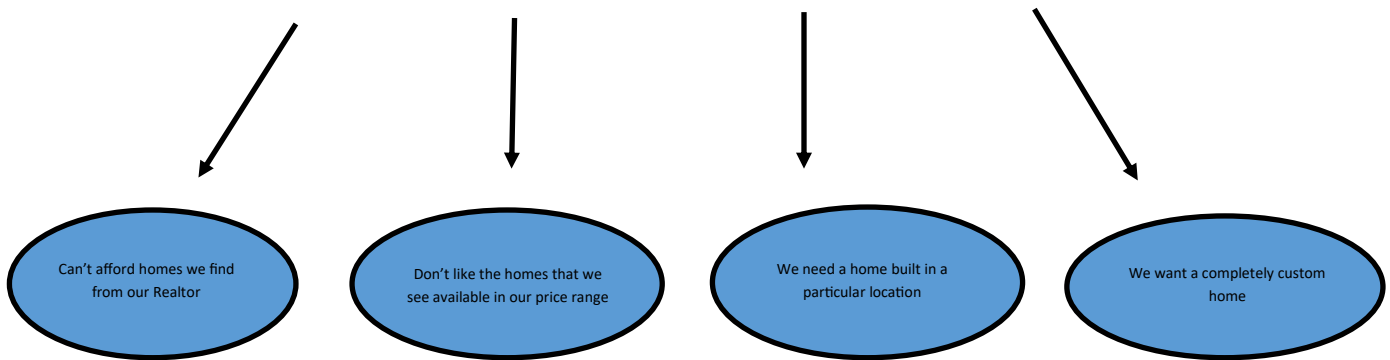


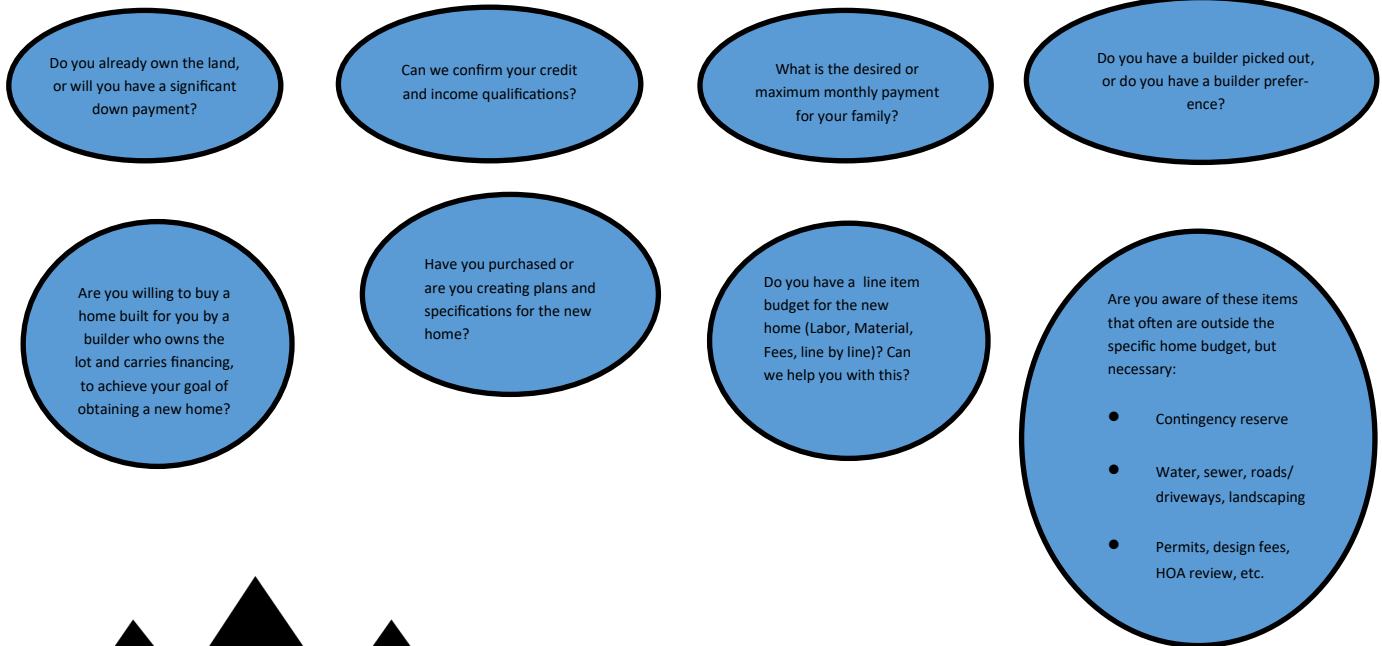


Borrower: We've decided that we would like to build a new home!

Loan Officer: Great, let's figure this out... to narrow your options, why do you think building is the way to go?



Loan Officer: Here are some questions that help us figure this out:



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Builder Spec Home



Benefits:

- Treated as a purchase
- As little as \$0 down
- Significant cost control options available
- Some specifications control

Restrictions:

- Builder controls decisions
- You don't OWN it till its done
- Less creative control
- Less transparency on the complete cost



Benefits:

- Can be treated as a land purchase
- As little as \$0 down
- Strong lender oversight for your protection
- One closing— interest rate protection
- Can be completely custom

Restrictions:

- Lender MUST approve builder and project
- Intensive construction administration
- No owner build
- Some scenario restrictions on the definition of a single family home

2x Close, Traditional Construction



Benefits:

- Can be treated as a land purchase
- The most owner control
- Can be completely custom
- No major design limitations

Restrictions:

- Generally 20-30% down
- Separate loans, changing market conditions can affect final costs
- Less oversight from builder / lender can lead to longer times to build and higher cost overrun risk

**BROKERS ARE
BETTER**

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