

Additional gap analysis guidance: How to do a gap analysis for an additional functional area, such as your Escrow Department or your Land Development Operations.

6.1 Escrow Quality Plan

6.1.1 Scope of the Escrow operations

The Escrow operation shall define the scope of its operations including whether employees or outside contractors typically set up, process, and manage the escrow process.

Evidence we are looking for.

Describe who, what, when and how the escrow service operation is carried out. When does the first or first major activity begin? How long does the responsibility of the escrow operation last for your customers? Who manages the escrow operation and who does this person report to?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.2 Process Flow

The company shall define and document a sequence or sequences of activities for the Escrow operation of the company. This sequence shall include all major communications, managing clients, and tracking problems, and assuring a quality result.

Evidence we are looking for.

Process flow chart of the escrow operation from the time the escrow operation takes responsibility for a new home purchaser to the end of the escrow period.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.3 Escrow Documents, Review Procedures, and Process Manuals - General

The company shall have a defined escrow policy that is explained to each home buyer customer and understood by those in the department.

Procedures shall be implemented to review all escrow documents to assure expectations of the new home buyer customer are met.

The Escrow operation will maintain current copies of procedures manuals.

Evidence we are looking for.

Your procedures for escrow documentation.

- Communication plan with both customer, lender, and sales
- Company standard of performance that explains what is to be done and when

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.4 Processing Requirements and Legal Restrictions

Procedures shall be implemented to assure that all applicable industry standards, governmental regulations, and lender’s instructions are identified and complied with.

Evidence we are looking for.

Who keeps record or company copies of these requirements and who updates them. How you confirm that they are adhered to

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.5 Escrow Operations Standards

Procedures or standards shall be developed and implemented for:

- Communicating the company’s Escrow obligations and the company’s commitment to the new home buyer.
- Accuracy standards
- Addressing and successfully completing Escrow work.
 - Receiving and documenting Escrow requests.
 - Confirming any work required
 - Scheduling the required work
 - Completing the required work
 - Obtaining a customer or lender sign-off of the completed work
- Tracking the Escrow work requested through completion.
- Determining the level of new home buyer satisfaction with the Escrow operation.
- Identifying the monetary approval authority or the permitted level of commitment of company resources for Escrow personnel.
- Identifying future steps to prevent recurring escrow non-conformances.

Evidence we are looking for.

Escrow tracking and reporting processes. Review forms to verify that work was done properly. Documentation process to evaluate track and complete escrow issues.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.6 Scheduling

Processes to schedule and monitor the work progress shall be established and shall have criteria under which deviations from the time requirements can occur. Procedures shall be established for communicating all schedules and any schedule changes to contractors, consultants, sales, and new home buyer customers.

Evidence we are looking for.

Schedule process, maintenance of the schedule, and communication to support implementation with various affected parties.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.7 Approving and Selection of Contractors, Consultants, and Other Support Services to Complete Escrow Work

Procedures based on quality criteria shall be established and implemented for review, approval, selection, and monitoring of any contractors or consultants not already approved by the Company. A list of any such contractors or consultants shall be maintained and be reviewed annually. There shall be a procedure for adding to, or deleting from, the approved list of contractors or consultants.

Evidence we are looking for.

Describe how support contractors and/or consultants are selected (the purchasing staff may handle all such evaluations), the process for reviewing approved list on a regular basis to identify contractors or consultants that need to be deleted or that need to be replaced

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.8 Version Control

Procedures shall be established and implemented to assure that the documents used to process new home purchasers are current and the correct version. When more than one version of an escrow document exists, all Escrow personnel shall understand the proper use of the various documents.

Procedures shall be established and implemented to assure that the documents for all new home purchasers clearly indicate which version of the document was applicable to that purchaser. When more than one version of a document exists, all Escrow personnel shall understand the terms and usage the document as it relates to each purchaser file.

Evidence we are looking for.

Describe the documentation control process to ensure the appropriate documentation is used; where it is located and for how long it is valid. If the escrow process ever changes, how do you track which version of documents apply to which customers? How do you confirm that your escrow processors know which documents apply?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.9 Confirmation of Completed Escrow Work

There shall be a procedure that secures the homeowner’s confirmation that an escrow process has been completed. This procedure shall address when and under what conditions an escrow item can “remain open” until some reasonable confirmation that the documentation is, in fact, satisfactory.

Evidence we are looking for.

Describe the process, procedure and documentation method to prove work has been done and been done properly and to the satisfaction of either the customer or the warranty manager

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.10 Protection of Work

There shall be procedures established to protect the privacy of the information in a completed purchaser file. These procedures shall address the correction of any errors or misplaced files that might occur home and the process of authorizing any process corrections.

Evidence we are looking for.

Describe privacy protection procedures for work to be done in any completed files. Describe what happens if there is missing data or misuse of data and who authorizes corrective action.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.1.11 Quality System Changes

The Escrow operation shall implement a documented approval procedure for incorporating changes and improvements to the Escrow operations quality system. Individual changes to the Escrow operation’s quality plan must be approved, documented, and integrated into the overall company quality plan.

Evidence we are looking for.

Describe the procedure for making changes to the escrow operations quality plan. Who makes them, who approves them, and how do they get incorporated into a current version of the quality plan?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.2 Warranty review

6.2.1 Confirmation of Needed Escrow Work

After the receipt of a request to open an escrow file, there shall be procedures established and implemented to determine the scope of the actual work required in accordance with the company's Escrow Operations Policy.

Evidence we are looking for.

What is the process for deciding whether the requested work is to be done? How and by whom is this confirmation to be done?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.2.2 Final Review

The Escrow operation shall have an escrow file policy. The completed Escrow work shall have a final review. All non-conformances to the quality plan shall be documented. Corrections shall be completed and documented in accordance with the Escrow Operations Policy. Each contractor or consultant shall be required to provide documented assurance that, at the time their work is completed, the work is complete and meets the builder’s requirements.

Evidence we are looking for.

Once an agreed upon escrow file is complete who reviews it and how is the data reported and maintained? What paperwork exists to support the work?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.2.3 Corrective Action

Deviations from the quality plan shall be corrected in a timely fashion and in such a way as to assure the quality of the completed work and the satisfaction of the new home buyer customer. These deviations and their correction shall be documented.

Evidence we are looking for.

What happens if you find something called for in your quality plan is not being done or done properly? How do you document this? How do you correct this and revise your processes to make sure it is not repeated.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.2.4 Inspection Records

Records shall be maintained of all escrow reviews and when deficiencies are noted, the escrow operation shall provide a copy to the sales personnel or appropriate contractor. The Escrow operation shall document reviews of work completed.

Evidence we are looking for.

What are your service records and who has them? Who keeps deficiencies lists and evaluates them? Is there an internal review of work in progress and completed to avoid misunderstandings and unsatisfied customers?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.3 Continuous Improvement

6.3.1 Pre-emptive Actions

Actions shall be established and implemented to eliminate recurring quality in the Escrow operation. These actions shall include identification, prioritization, cause analysis, development and implementation of a plan of preventive action. When appropriate these actions shall include recommendations of changes in consultants, contractors, or company performance standards. The effectiveness of the preventive actions shall be evaluated. When identified issues have not been eliminated, the plan shall be reassessed and appropriate actions initiated.

Evidence we are looking for.

This is the area of the escrow operation quality plan where you anticipate problems and try to make sure they don't happen. What are your policies, procedures and supporting documentation for your continuous improvement effort?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.3.2 Escrow Training

A program of ongoing training, in addition to what Corporate has already described, for all Escrow operations employees and contractors involved in meeting new home buyer customer expectations shall be implemented. This training shall focus on identified opportunities for improvement that lead to reducing recurring quality issues in the Escrow operation. This training shall include both task specific skills and training in the operation of the company’s quality system.

Escrow operations staff will be trained on required document preparation and processing procedures used in the escrow operation. Escrow personnel shall be trained on any different versions of the company’s documentation and when those different versions apply. Escrow personnel shall be trained on industry performance standards, company performance standards, and work practices.

Evidence we are looking for.

Describe all applicable training available for the escrow operation, employee selection for receiving training to promote continual improvement and improve technical skills. State what records are kept and how they support overall corporate direction (vision & mission) and the section under 1.0 that discusses training at the corporate level.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

6.3.3 Internal Reviews

The company quality committee shall require internal reviews of the Escrow operation to assure that the policies and procedures of the Escrow operations quality system are met. The reviewer shall be trained and from outside the Escrow operation. These reviews shall be documented. When deficiencies in the operation of the quality system are identified, steps to correct any nonconformance shall be taken in a timely manner. Frequency and scope of internal reviews shall be sufficient to assure the effectiveness of the quality system, but shall be conducted at least twice each year.

Evidence we are looking for.

Describe the conduct of any current internal review, training requirements of your internal auditor, frequency of your audits, the record of your findings, who develops action plan to remedy deficiencies, and how implementation of the plan is reviewed to see if they meet the standard. Describe way you might confirm that all the aspects of this escrow operations quality plan are complied with.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1 Land Development Quality Plan

7.1.1 Scope of the Land Development operations

The Land Development operation shall define the scope of its operations including whether employees or trade contractors typically do land development work in new and existing properties, and what conditions must be met to affect “turnover” from land development to production operations, or from land development to public agencies.

Evidence we are looking for.

Describe who, what, when and how the land development operation is carried out. When does the first or first major land development activity begin? How long does the responsibility of the land development operation last for your customers? Who manages the land development operation and who does this person report to?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.2 Process Flow

The company shall define and document a sequence or sequences of activities for the Land Development operation of the company. This sequence shall include all major communications, construction activity, and quality assurance activities.

Evidence we are looking for.

Process flow chart of the land development operation from the time the land development operation takes responsibility for a new subdivision or property to the end of the warranty period.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.3 Land Development Documents, Construction Procedures, and Installation Manuals

7.1.3.1 Individual Trade’s Performance Standards

Procedures shall be implemented to develop each trade contractor’s scope of work to assure that land development work meets the performance standards set forth in the construction documents.

7.1.3.2 Procedures and Manuals

The Land Development operation will maintain current copies of product installation procedures and installation manuals for any equipment included in land development activities.

Evidence we are looking for.

Your procedures for land development documentation:

- Communication plan with both construction, public agencies and trades
- Company standard of performance that explains what is to be done
- Periodic comparison and review of trades scope of work and your expectations of trades
- Company copies of manufacturer’s warranties to support work to be done in the land development process
- Repair logs and installation manuals

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.4 Codes, Standards, Regulations, and Manufacturer’s Instructions

Procedures shall be implemented to assure that all applicable codes, industry standards, governmental regulations, and manufacturer’s instructions are identified and complied with.

Evidence we are looking for.

Who keeps record or company copies of codes and who updates them? How do you confirm that they are adhered to?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.5 Land Development Operations Standards

Procedures or standards shall be developed and implemented for:

- Communicating the company’s Land Development obligations and the company’s commitment to the new home buyer.
- Workmanship standards
- Addressing and successfully completing Land Development work.
 - Confirming any work required
 - Scheduling the required work
 - Completing the required work
 - Obtaining an appropriate sign-off of any completed work
- Tracking the Land Development work requested through completion.
- Determining the level of satisfaction with the Land Development operation.
- Identifying the monetary approval authority or the permitted level of commitment of company resources for Land Development personnel.
- Identifying future steps to prevent recurring Land Development non-conformances.
- Ensuring that all equipment necessary for Land Development operations is properly calibrated and/or maintained.

Evidence we are looking for.

The land development operation’s calibration procedure, schedule and data kept to validate any necessary calibration. Land development tracking and reporting processes. Review forms to verify that work was done properly. Documentation process to evaluate, track, and complete land development work.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.6 Scheduling

Processes to schedule and monitor the work progress shall be established and shall have criteria under which deviations from the time requirements can occur. Procedures shall be established for communicating all schedules and any schedule changes to trade contractors, suppliers, external, and internal customers.

Evidence we are looking for.

Schedule process, maintenance of the schedule, and communication to support implementation with various affected parties

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.7 Approving and Selection of Trade Contractors, Materials, and Other Support Services to Complete Land Development Work

Procedures based on quality and safety criteria shall be established and implemented for review, approval, selection, and monitoring of any trade contractors or consultants not already approved by the Company. A list of any such trade contractors or consultants shall be maintained and be reviewed annually. There shall be a procedure for adding to, or deleting from, the approved list of trade contractors or consultants.

Evidence we are looking for.

Describe how suppliers and trades are selected (the purchasing staff may handle all subcontractor evaluation), the process for reviewing the approved list on a regular basis to identify trades to delete or that need to be replaced.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.8 Version Control

Procedures shall be established and implemented to assure that the current versions of all plans and specifications are used for all work completed by the company’s land development operation. When more than one version of plans or specifications exist, there shall be a process for identifying and confirming that the applicable version is used.

Procedures shall be established and implemented to assure that the files for all new work done by the land development operation clearly indicate which version of the plans apply to particular developments or sections of developments.

Evidence we are looking for.

Describe the documentation control process to ensure the appropriate documents are used; where these are located and maintained. If the plans and/or specifications ever change how do you track which version of the documents apply to which development? How do you confirm that your field managers know which documents are correct?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.9 Confirmation of Completed Land Development Work

There shall be a procedure that secures the appropriate confirmation that land development work has been completed. This procedure shall address when and under what conditions work on a parcel or property “remain open” and appropriately maintained until final confirmation that the land development work is both complete and satisfactory.

Evidence we are looking for.

Describe the process, procedure and documentation method to prove work has been done and been done properly and to the satisfaction of either the jurisdiction or the governing authority.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.10 Protection of Work

There shall be procedures established to protect all affected areas of a completed subdivision during the work on individual homesites. These procedures shall address the correction of any damage occurring to land development improvements and the process of authorizing any such correction.

Evidence we are looking for.

Describe protection procedures for work to be done in any subdivision or public area. Describe what happens if there is damage and who authorizes repair work..

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.1.11 Quality System Changes

The Land Development operation shall implement a documented approval procedure for incorporating changes and improvements to the Land Development operations quality system. Individual changes to the Land Development operation’s quality plan must be approved, documented, and integrated into the overall company quality plan.

Evidence we are looking for.

Describe the procedure for making changes to the land development operations quality plan. Who makes them, who approves them, and how do they get incorporated into a current version of the quality plan.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.2 Land Development Review

7.2.1 Confirmation of Approved Land Improvements

After the approval of a subdivision or other unimproved property, there shall be procedures established and implemented to determine the scope of the actual work required in accordance with the company's Land Development Operations Policy.

Evidence we are looking for.

What is the process for deciding the extent and the scope of the required work to be done?
How and by whom is approved work to be done?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.2.2 Final Inspection or Review

The Land Development operation shall have a completion policy. The completed Land Development work shall have a final inspection. All non-conformances to the quality plan shall be documented. Corrections shall be completed and documented in accordance with the Land Development Operations Policy. Each trade contractor shall be required to provide documented assurance that, at the time their work is completed, the work is acceptable and meets the builder’s requirements.

Evidence we are looking for.

Once agreed upon land development work is complete who inspects it and how is the data reported and maintained? What paperwork exists to support the completion and acceptance of the work?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.2.3 Land Development Corrective Action

Deviations from the quality plan and safety program shall be corrected in a timely fashion and in such a way as to assure the quality of the completed work and the satisfaction of the governing authority. These deviations and their correction shall be documented.

Evidence we are looking for.

What happens if you find something called for in your quality plan is not being done or done properly? How do you document this? How do you correct this and revise your processes to make sure it is not repeated.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.2.4 Land Development Inspection Records

Records shall be maintained of all Land Development inspections and when deficiencies are noted, the Land Development operation shall provide a copy to the appropriate trade contractor. The Land Development operation shall document inspections of work completed. (Note: Inspection records for land development work included in the quality system of the company’s NHQ certified trade contractors may be utilized to meet the requirements of this section. See note 8.)

Evidence we are looking for.

What are your inspection and completion records and who has them? Who keeps deficiencies lists and evaluates them? Is there an internal review of work in progress and completed to avoid misunderstandings and unacceptable work?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.3 Land Development Continuous Improvement

7.3.1 Pre-emptive Actions

Actions shall be established and implemented to eliminate recurring quality and safety issues in the Land Development operation. These actions shall include identification, prioritization, cause analysis, development and implementation of a plan of preventive action. When appropriate these actions shall include recommendations of changes in materials, equipment, trade contractors, or company performance standards. The effectiveness of the preventive actions shall be evaluated. When identified issues have not been eliminated, the plan shall be reassessed and appropriate actions initiated.

Evidence we are looking for.

This is the area of the land development operation’s quality plan where you anticipate problems and try to make sure they don’t happen. What are your policies, procedures and supporting documentation for your continuous improvement effort?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.3.2 Land Development Training

A program of ongoing training, in addition to what Corporate has already described, for all Land Development operations employees and trade contractors involved in meeting land development construction expectations shall be implemented. This training shall focus on identified opportunities for improvement that lead to reducing recurring quality issues in the Land Development operation. This training shall include both task specific skills (including safety) and training in the operation of the company’s quality system. (Note: Hot-Spot training included in the quality system of the company’s NHQ certified trade contractors may be utilized to meet some of the requirements of this section. See note 8.)

Land Development operations staff will be trained on required repair and installation procedures for equipment or products used in the Land Development operation. Land Development personnel shall be trained on industry performance standards, company performance standards, and work practices of the company’s trade contractors.

Evidence we are looking for.

Describe all applicable training available for the land development operation, employee selection for receiving training to promote continual improvement and improve technical skills. State what records are kept and how they support overall corporate direction (vision & mission) and the section under 1.0 that discusses training at the corporate level.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.3.3 Internal Reviews

The company quality committee shall require internal reviews of the Land Development operation to assure that the policies and procedures of the Land Development operations quality system are met. The reviewer shall be trained and from outside the Land Development operation. These reviews shall be documented. When deficiencies in the operation of the quality system are identified, steps to correct any nonconformance shall be taken in a timely manner. Frequency and scope of internal reviews shall be sufficient to assure the effectiveness of the quality system, but shall be conducted at least twice each year.

Evidence we are looking for.

Describe the conduct of any current internal review, training requirements of your internal auditor, frequency of your audits, the record of your findings, who develops action plan to remedy deficiencies, and how implementation of the plan is reviewed to see if they meet the standard. Describe way you might confirm that all the aspects of this land development quality plan are complied with.

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.

7.3.4 Trade Contractor Quality Assurance Program Support

Communication shall be established between the land development operation’s quality representative of the company and the quality representatives of the trade contractors to support the quality initiatives of each other. Where a trade contractor quality assurance program does not exist, the Land Development quality representative will establish necessary procedures for assuring that the quality of any trade contractor’s work meets expectations of the company and other governing authorities. Feedback shall be provided to the trade contractor to enable the trade contractor to improve the quality of their Land Development work. Feedback shall be solicited from the trade contractor in order for the Land Development to improve the quality of the company's work.

Evidence we are looking for.

How do your contractors’ quality programs support your organization, how they are linked and validated. Do you give them feedback so they can continuously improve? Do you get feedback from your trade partners so you can improve?

Describe what you presently have in place.

Identify any gaps and what you need to do or add to meet all of the NHQ requirements.