

CUSTOMER SERVICE STANDARD

BACKGROUND

The new home building industry in Ontario has experienced unprecedented growth and increased consumer expectations over the last few years. This has created a need for better responsiveness, improved access to information and more accountability from both home builders and the Ontario New Home Warranty Program (ONHWP).

In response to these growing expectations, ONHWP is introducing a set of regulations, procedures and documents with the goal of providing homeowners and builders with explicit information on their rights and responsibilities under the *Ontario New Home Warranties Plan Act* and Regulations. Known collectively as the *Customer Service Standard*, these initiatives are intended to provide consistent information to homeowners about warranties, a mandatory pre-delivery inspection for all new homes, a standardized process for homeowners to request warranty service and clear processes for builders and ONHWP to respond to these requests.

WHAT THIS BULLETIN IS ABOUT

This Bulletin provides you, as a vendor or vendor/builder (referred to collectively as a “builder”) under the *Ontario New Home Warranties Plan Act* (the Act), with details of the *Customer Service Standard*. The *Customer Service Standard* is the minimum after-sales warranty service standard for builders and ONHWP. It applies to warranty service requests, conciliations and claims for all new homes with a date of possession on or after October 1, 2003. The following parts make up the *Customer Service Standard*:

- Part A: *The Homeowner Information Package*: a document that provides purchasers with an outline of the responsibilities of the homeowner, ONHWP and the builder.
- Part B: *The Pre-Delivery Inspection (PDI)*: A mandatory home inspection that builders are required to conduct with purchasers on or before the date of possession.
- Part C: *The Warranty Service Rules*: General rules governing: how homeowners must submit warranty service requests; timelines within which builders must respond to and resolve the requests; and the role of ONHWP in the process.
- Part D: *Warranty Review*: A builder-requested conciliation.

The *Customer Service Standard* was developed following consultation with builders, the Ontario Home Builders’ Association (OHBA), consumers and government. It provides the minimum standards required by ONHWP. Builders are encouraged to exceed these standards.

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DEFINITIONS

In this Bulletin, the following terms have the meanings described below:

Act

The Act is the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. O.31 and Regulations, as amended.

Conciliation

A conciliation is a process where ONHWP assesses whether a disputed item is warranted (i.e., covered by statutory warranty), and/or whether ONHWP supports the way a repair was done. Where possible, ONHWP will base its conciliation decisions on the *Construction Performance Guidelines*. A conciliation can take the form of either an inspection of the home (if items that require repair are involved) or a desk assessment (if items require a payment, e.g., delayed closing/occupancy compensation). A Warranty Review is also a type of conciliation. A Warranty Assessment Report is issued by ONHWP following a conciliation.

PLEASE NOTE

Warranty items identified for the first time by a homeowner during a conciliation will not be addressed at that conciliation. Homeowners will be directed to add these new items to their next Warranty Service Form.

Chargeable Conciliation

A chargeable conciliation means a conciliation where:

- there are items identified as warranted by ONHWP in a Warranty Assessment Report;
- the builder was not denied reasonable access by the homeowner to rectify the problem (i.e., during regular business hours, at a mutually agreeable time, and arranged at least 24 hours in advance); and
- the builder could have avoided the conciliation by attending to the homeowner's warranty service request.

Even if only one item is confirmed by ONHWP to be warranted at a conciliation, whether major or minor in nature, the conciliation will be considered to be chargeable to the builder.

Exceptions: A conciliation may be deemed "not chargeable", even if warranted items are identified, if:

- i. The builder can demonstrate that the homeowner refused reasonable access to rectify the problem(s) before the conciliation; or
- ii. A conciliation is conducted by ONHWP because the builder and the homeowner disagree about the method or timing of the repair to an item that the builder has previously agreed is warranted, and ONHWP supports the builder's recommendation.

Deliver

Deliver means to deliver by hand, courier or facsimile transmission or, except during a general interruption of postal service, by regular mail or registered mail. In the case of regular mail, delivery is effective on the date of receipt. In the case of registered mail, delivery is effective five business days after the day of mailing. In the case of facsimile transmission, delivery is effective on the business day sent if sent before 12:00 midnight and otherwise on the next business day. Delivery by hand or courier is effective on the business day received, if received before 5:00 p.m. and otherwise on the next business day.

Purchaser

Purchaser means a person who has signed an Agreement of Purchase and Sale or a construction contract (purchase agreement).

Regulations

The Regulations under the Act are R.R.O. 1990, Regulations 892, 893 and 894, as amended.

Submit

Submission, submit and submitted, when used in relation to a Warranty Service Form, means to submit by hand, courier or facsimile transmission or, except during a general interruption of postal service, by regular mail or registered mail. In the case of regular mail, submission is effective on the post-mark date if received by ONHWP within 5 days of the expiry of the time provided herein for submission of the Warranty Service Form. In the case of registered mail, submission is effective on the day the Warranty Service Form is mailed as indicated by the postmark date or the registered mail receipt. In the case of facsimile transmission, submission is effective on the business day the Warranty Service Form is sent to ONHWP if sent before 12:00 midnight and otherwise on the next business day. Submission by hand or courier is effective on the business day received, if received by ONHWP before 5:00 p.m., and otherwise on the next business day.

Warranty Assessment Report

A Warranty Assessment Report is a written report issued by ONHWP, detailing whether any items in a Warranty Service Form are warranted and/or whether ONHWP supports the way any disputed repair was done or the method or timing of the repair.

Warranty Service Form

A Warranty Service Form is any of the following forms that is completed and submitted to ONHWP in order to make a warranty service request.

The 30-Day Form is included in the *Homeowner Information Package* (to be submitted only once at any time in the 30 days following the date of possession).

The Warranty Service Forms available from ONHWP (upon request) are the:

- Year-End Form (to be submitted any time within the final 30 days of the first year of possession)
- Second-Year Form (to be submitted any time after the first anniversary and before the second anniversary of possession)
- MSD Form (to be submitted any time after the second anniversary, but before the seventh anniversary of possession)
- Emergency Form
- Delayed Closing Form (for freehold homes)
- Delayed Occupancy Form (for condominium units)

Warranty Service Request

A warranty service request is a written request by a homeowner to ONHWP, submitted on the appropriate Warranty Service Form at the time specified in this Bulletin, listing any outstanding items that the homeowner believes to be covered under the statutory warranty.

PART A. THE HOMEOWNER INFORMATION PACKAGE

The *Homeowner Information Package* is a document developed by ONHWP for builders to give to purchasers of new homes that have a date of possession on or after October 1, 2003. It provides clear and accurate information about the warranty rights of new home purchasers under the Act. The *Homeowner Information Package* contains the following information and forms:

- Information about what is covered by warranty, what is excluded from coverage and how the homeowner may make a warranty service request.
- Information about the Warranty Service Rules (Part C of this Bulletin), including the responsibilities of the builder, the homeowner and ONHWP.
- The standard Warranty Service Form (30-Day Form) to be used by the homeowner in the first 30 days of possession.
- A Confirmation of Receipt of the *Homeowner Information Package* form to be signed by the homeowner and returned to the builder upon receipt of the *Package* but no later than the PDI.

Builder's Responsibilities

Builders are required to:

1. Include a provision in every purchase agreement entered into on or after October 1, 2003, stating that a *Homeowner Information Package* is available from ONHWP and that the builder will deliver one to the purchaser at or before the PDI.
2. Add to the *Homeowner Information Package* their contact information for warranty service and emergency situations (e.g. either in the form of a covering letter or on a business card inserted in the appropriate place inside the booklet).
3. Deliver to each home purchaser a complete *Homeowner Information Package* as soon as possible after entering into the purchase agreement, and no later than the PDI.
4. Ask the homeowner(s) or their designate at the PDI to sign and return the Confirmation of Receipt of the *Homeowner Information Package*.
5. Deliver the Confirmation of Receipt of the *Homeowner Information Package* to ONHWP as soon as it is completed.

ONHWP will ensure that a *Homeowner Information Package* for each home enrolled is available for distribution by the builder to the homeowner.

PART B: PRE-DELIVERY INSPECTION

On or before the date of possession, the builder is required to conduct a pre-delivery inspection (PDI) of the home with the purchaser (and/or the purchaser's designate), and to complete the CCP (and Warranty Certificate) and PDI Form with the purchaser/designate.

The PDI Form is designed to capture deficiencies in the home at the time of possession, including items inside and outside the home that are incomplete, damaged, missing, or not operational. Builders may use their own PDI form, instead of the Warranty Program's standard PDI Form, provided that it is approved for use in advance by the Warranty Program.

The PDI itself should be as thorough as reasonably possible. It provides the builder with the opportunity to explain how the home and its systems work, which may prevent some warranty service calls in the future. The PDI is required for all homes with a date of possession on or after October 1, 2003, even if the PDI occurs before October 1, 2003.

Builder's Responsibilities

Builders are required to:

1. Include a provision in every purchase agreement entered into on or after October 1, 2003, whereby the parties agree that the purchaser (or the purchaser's designate) will meet at the home on or before the date of possession to conduct the PDI.
2. Make an appointment with the purchaser well in advance to conduct the PDI at a time that is mutually convenient. Purchasers may attend in person, send a designate to conduct the PDI on their behalf or attend with their designate.
3. Complete the standard PDI Form provided by ONHWP or your own PDI form if pre-approved for use by ONHWP.
4. During the PDI, go through the PDI Form with the purchaser/designate and ensure that the PDI Form notes any deficiencies, substitutions, or any items that cannot be inspected because they are dirty, incomplete or missing.
5. Confirm the date of possession with the purchaser/designate, and fill in the date of possession on the CCP and PDI Form. The date of possession is the date when the builder transfers the control and right to occupy the home to the purchaser. (This is not the date of the PDI, unless the purchaser will be assuming possession and/or occupancy on the same day that the PDI is conducted.)
6. Give the purchaser/designate a copy of the *Homeowner Information Package* at the PDI, if not before, and have them sign and return the Confirmation of Receipt of the *Homeowner Information Package* form. Complete and sign the CCP and PDI Form with the purchaser/designate, and give them the purchaser's copy of the completed CCP and PDI Form.
7. Deliver copies of the completed CCP, PDI Form and the Confirmation of Receipt of the *Homeowner Information Package* to ONHWP as soon as possible and no later than 15 days from the date of possession.

If a builder fails to deliver completed CCPs, PDI Forms and Confirmation of Receipt of the *Homeowner Information Package* forms to ONHWP in time, this will be considered in ONHWP's risk assessment of the builder, conducted as part of the builder's annual renewal of registration. Also, if the builder has not delivered a completed CCP or PDI Form, ONHWP will not know the date of possession of that home. In such circumstances, if ONHWP receives a 30-Day Form for that home, without clear evidence to the contrary, ONHWP will consider it to be submitted on time.

HOW TO GET COPIES

ONHWP will provide to the builder with a CCP and a standard PDI Form (if required) for each home enrolled. For reference, an electronic version of the standard PDI Form will be available on www.newhome.on.ca prior to October 1, 2003.

PART C. THE WARRANTY SERVICE RULES

The Warranty Service Rules (the Rules) set out seven steps that include deadlines for homeowners to make warranty service requests, repair periods for builders to complete warranty repairs, and circumstances in which ONHWP will become involved. ONHWP is required to become involved in warranty service requests only at the times described. However, homeowners may contact the builder at any time. ONHWP is available on an informal basis to provide information to the builder and to homeowners at any time.

The Rules apply to all warranty items for condominium units and freehold homes under the Act, including the delayed closing/occupancy warranty and the substitutions warranty. The Rules apply to all homes with a date of possession of October 1, 2003 or later. The Rules do not apply to warranty service requests for condominium common elements, which will continue to be handled through the ONHWP Condominium Office. See “Appendix A” to this Bulletin which sets out the exceptional circumstances in which the Rules will be modified.

The Rules are prescribed in the Regulations under the Act.

EXCEPTIONS TO THE WARRANTY SERVICE RULES

Exceptions are certain situations where the Rules are modified to take into account special circumstances (i.e. Emergencies, Seasonal Items, Special Seasonal Items and Extraordinary Situations) that apply either to individual builders or are industry-wide. See “Appendix A” for detailed explanation of the Exceptions to the Rules.

Please note, in the case of builders who are unable to meet their warranty service obligations (e.g., due to insolvency) ONHWP will adjust the Warranty Service Rules on a case-by-case basis, and will inform homeowners of these adjustments.

1. Homeowner Warranty Service Request

The homeowner is entitled to make a warranty service request by submitting a standard Warranty Service Form to ONHWP at certain times.

First Year

There are two opportunities for homeowners to submit Warranty Service Forms to ONHWP in the first year of possession:

- 1-30 days: Any time during the first 30 days after the date of possession, the homeowner is entitled to submit a 30-Day Form listing any outstanding PDI items (homeowners may attach the PDI Form to their 30-Day Form clearly indicating which items remain outstanding), as well as any new items discovered since the date of possession. The homeowner may submit only one 30-Day Form.
- Year-End: Any time during the last 30 days of the first year of possession, the homeowner is entitled to submit a Year-End Form, listing any outstanding warranty items. If the homeowner submits more than one Year-End Form to ONHWP before the end of the first year of possession, the items listed on the last Year-End Form submitted will *replace* the items on all Year-End Forms that were submitted earlier.

The homeowner is required to use standard first-year Warranty Service Forms (30-Day and Year-End) to make all warranty service requests to ONHWP in the first year of possession. This includes Warranty Service Requests for one-year warranty items, as well as items covered under the two-year and seven-year (Major Structural Defect) warranties. The 30-Day Form is included as part of the *Homeowner Information Package*, which will be delivered by the builder to the homeowner.

If the homeowner does not submit a Warranty Service Form within either or both of the first-year warranty service times, then ONHWP will consider the homeowner's file as closed regarding one-year warranty items.

Second Year

Homeowners may make a warranty service request for items under the two-year warranties or under the Major Structural Defect warranty at any time, and as often as required, during the second year of possession and up to the end of the second year of possession. To do so they must submit to ONHWP a completed Second-Year Form (available from ONHWP on request).

If the homeowner does not submit a Second-Year Form by the end of the second year of possession, then ONHWP will consider the homeowner's file as closed regarding two-year warranty items (unless the appropriate Warranty Service Form has been submitted in respect of those items in either of the first year warranty service times).

Years Three to Seven: Major Structural Defect (MSD)

Any time after the end of the second year, but no later than the expiry of the seventh year of possession, the homeowner may make an MSD warranty service request, when required, directly to ONHWP by requesting and submitting the standard MSD Form.

MSD warranty service requests made after the second anniversary of the date of possession are handled directly by ONHWP. ONHWP will schedule and conduct an inspection, and issue an inspection report to the homeowner within 10 days of receipt of the homeowner's warranty service request. If the inspection report determines that the item is warranted, ONHWP will pay the homeowner compensation from the guarantee fund or arrange for the repair to be completed.

Exception: If ONHWP receives an MSD Form for a warranted MSD item during years three through seven of possession, ONHWP reserves the right to involve the builder in the process, and to treat it as a warranty service request submitted in the first two years after possession, if it is clear that:

- the MSD is the result of a defect that was properly reported to ONHWP in the first two years after the date of possession,
- the defect was not remedied by the builder, and
- the defect ultimately led to or became the subject of the MSD Form received in years three through seven.

If the homeowner does not submit an MSD Form by the end of the seventh year of possession, then ONHWP will consider the homeowner's file as closed regarding MSD warranty items.

2. Initial Builder Repair Period

The Builder has an initial builder repair period of up to 120 days to repair or otherwise resolve warranted items. For all warranty service requests other than the Year-End request, the builder repair period starts on the day after ONHWP receives a properly submitted Warranty Service Form. For a Year-End warranty service request, the builder repair period starts on the later of:

- the first anniversary of the date of possession; or
- the day after the date that ONHWP actually receives the Year-End Form if submitted on time.

The homeowner is required to provide the builder with reasonable access (during regular business hours, arranged at least 24 hours in advance at a time mutually convenient to the homeowner and the builder) to complete the repairs.

3. Homeowner Request for Conciliation

If the builder does not complete the repairs or otherwise resolve the warranted items by the end of the 120-day initial builder repair period, the homeowner has 30 days from Day 120 to contact ONHWP (i.e., Days 121-150) to request a conciliation. ONHWP will advise the builder in writing of the outstanding items to be repaired, and of the date that a conciliation will take place if the builder does not resolve the outstanding items within 30 days of the homeowner's request for conciliation. If the homeowner does not request a conciliation during this period, the homeowner will be deemed to have withdrawn the warranty service request for any outstanding items that the builder does not repair or resolve by Day 150. However, the homeowner may resubmit a warranty service request at the applicable times for any outstanding items deemed to have been withdrawn if those items are still covered by warranty at the date of re-submission.

4. Builder Repair Period before Conciliation

The builder has 30 days from the date the homeowner requests the conciliation, to complete the repairs or otherwise resolve the warranted items. If any items are still outstanding at the end of the 30 days, ONHWP will conduct a conciliation.

5. ONHWP Conciliation

ONHWP will conduct a conciliation and issue a Warranty Assessment Report to the homeowner and to the builder within 10 days of the expiry of the 30-day builder repair period in step 4 above. The Warranty Assessment Report will outline any outstanding items on the Warranty Service Form that are covered by warranty under the Act, and are therefore still the builder's responsibility to correct.

If ONHWP determines that at least one item in the Warranty Assessment Report is warranted, the conciliation will be considered to be "chargeable" to the builder.

BUILDER ARBITRATION FORUM

A builder who disagrees with ONHWP's determination of warrantability or chargeability in a Warranty Assessment Report may be eligible to request an arbitration under the Builder Arbitration Forum within 28 days of receipt of the Warranty Assessment Report. For further details, please refer to *Builder Bulletin 41: Builder Arbitration Forum*.

6. Builder Repair Period after Conciliation

If the Warranty Assessment Report identifies any items that are warranted, the builder will be given one final opportunity to correct these outstanding warranted items, within a maximum of **30 days** from the date when ONHWP issues the Warranty Assessment Report.

7. ONHWP Settles the Claim

If the builder has not corrected or otherwise resolved all items covered by the warranty within **30 days** of the date when ONHWP issues the Warranty Assessment Report, ONHWP will settle the remaining warranted items directly with the homeowner. ONHWP will pay compensation to the homeowner from the guarantee fund, or will arrange for the repairs, and will invoice the builder for the amount of the compensation or repair costs, plus an administration fee of 15 per cent and applicable taxes.

PART D. WARRANTY REVIEW: BUILDER-REQUESTED CONCILIATION

A Warranty Review is a builder-requested conciliation to assess a warranty dispute between a builder and a homeowner. A Warranty Review must be requested between Day 30 and Day 110 of the 120-day builder repair period, and will be conducted before the end of the 120-day builder repair period. A Warranty Review is available to all registered builders who follow the procedure and pay the required fee.

Builders may continue to informally contact their ONHWP Regional Office at any time for technical advice, subject to the availability of ONHWP Warranty Representatives.

Requesting a Warranty Review does not extend the normal 120-day builder repair period under the Warranty Service Rules for warranty repairs.

A Warranty Review:

- is limited to assessing disputes between builders and homeowners about the warrantability of an item, and the correct method or timing of repair required to fix the problem;
- is not available for measurement-based items found in the ONHWP *Construction Performance Guidelines*. For a copy of the *Construction Performance Guidelines* please contact ONHWP at 1-800-668-0124 or visit www.newhome.on.ca;
- is not considered a chargeable conciliation and the fee is refunded if:
 - i. ONHWP determines that there are no warranted items; or,
 - ii. there were warranted items and ONHWP agrees with the builder's method or timing of repair for all items in question;
- has the same force on all parties as a homeowner-requested conciliation. Builders are required to repair those items determined by ONHWP to be warranted, or they will be found to be in breach of warranty.

Procedure and Fee

1. Builder Requests the Warranty Review

- When: A builder may request a Warranty Review no earlier than 30 days and no later than 110 days within the normal 120-day initial builder repair period.
- How: Builders are required to deliver the request for a Warranty Review to ONHWP in writing. In support of the request, a builder is required to indicate the items for review (from the appropriate Warranty Service Form submitted by the homeowner, i.e., 30-Day, Year-End, Second-Year), and what the builder's position is on each item.
- Cost: There is a \$550 fee, payable by cheque, money order, or other ONHWP-approved payment method, for each Warranty Review. Payment must accompany each Warranty Review request. If ONHWP's Warranty Assessment Report states that the conciliation is not a chargeable conciliation, the fee will be refunded to the builder.

2. Inspection by ONHWP and Warranty Assessment Report

- ONHWP will conduct an inspection (if the homeowner permits access) or a desk assessment and issue a Warranty Assessment Report to the builder and the homeowner within 10 days of the builder's delivery of a request for Warranty Review, with the necessary information and fee.

3. Repairs by Builder

- If any warranted items are identified, the builder is required to complete any necessary repairs no later than 30 days after the expiry of the 120-day initial builder repair period, i.e., Day 150.

4. ONHWP Settles the Claim

- If the builder has not completed the repairs or otherwise resolved the warranted items by Day 150, then ONHWP will settle directly with the homeowner and pay compensation to the homeowner from the guarantee fund or arrange the repairs. ONHWP will invoice the builder for the amount of the compensation or repair costs, plus an administration fee of 15 per cent and applicable taxes.

BUILDER ARBITRATION FORUM

A builder who disagrees with ONHWP's determination of warrantability or chargeability in a Warranty Assessment Report may be eligible to request an arbitration under the Builder Arbitration Forum within 28 days of receipt of the Warranty Assessment Report. For further details, please refer to *Builder Bulletin 41: Builder Arbitration Forum*.

APPENDIX A: EXCEPTIONS TO THE WARRANTY SERVICE RULES

The Warranty Service Rules apply to typical warranty situations. Under the Exceptions, the Rules are adjusted for emergencies, seasonal repair items, and extraordinary situations.

1. Emergencies

An emergency warranty situation is any situation involving a warranted item that, if not attended to immediately would, in the opinion of ONHWP, would likely result in substantial damage to the dwelling or would likely represent a substantial risk to the health and safety of the occupants.

An emergency includes, but is not limited to, the following situations, if they occur within the warranty period:

- Complete loss of heat, between September 15 and May 15
- Gas leak
- Complete loss of electricity
- Complete loss of water
- Complete stoppage of sewage disposal
- Plumbing leak that requires the entire water supply to be shut off
- Major collapse of any part of the home's exterior or interior structure;
- Major water penetration on the interior walls or ceiling;
- A large pool of standing water inside the home; or
- Any situation where, in the opinion of ONHWP, the home is uninhabitable for health or safety reasons.

Damage caused by forces beyond a builder's control (for example, municipal or utility service failures or 'acts of God') is not warranted under the Act, and therefore is not an "emergency" warranty situation.

Emergency Procedure

1. A homeowner who believes there is an emergency warranty situation should contact the builder first, using the emergency service contact information that the builder is required to provide in the *Homeowner Information Package*. The homeowner should follow the builder's instructions in attempting to handle the emergency situation.
2. The builder is permitted up to 24 hours to resolve the emergency, to ensure that the situation has been made safe and secure, and to prevent any further damage from occurring. Cosmetic damage as a result of the defect may take longer to repair after the initial emergency has been dealt with. The builder is required to complete the cosmetic repair as soon as possible and no later than 30 days from the date that the homeowner reported the emergency.
3. If the builder cannot be reached within 24 hours using the emergency contact information provided in the *Homeowner Information Package*, or if the builder has been contacted but has not resolved the emergency within 24 hours, the homeowner is entitled to contact ONHWP for further direction. ONHWP will determine (usually by phone) if this is an emergency or if the item should be added to the homeowner's next Warranty Service Form. If the homeowner satisfies ONHWP that this is an emergency warranty situation, ONHWP will first try to contact the builder. If ONHWP is unable to contact the builder, or the builder is unwilling to resolve the emergency, ONHWP will instruct the homeowner to do or contract for the necessary repairs to correct the emergency, i.e., any repairs necessary to make the home safe and secure, and to prevent any further damage in the near future.
4. If the homeowner is unable to contact the builder or ONHWP, the homeowner may, without jeopardizing their warranty rights, do or contract for the necessary repair work to correct the emergency only.
5. If the homeowner has arranged to have the emergency repairs done and wishes to be reimbursed, the homeowner is required to obtain an Emergency Form (available from ONHWP by calling 1-800-668-0124 or from the ONHWP Web site), and to submit to ONHWP the completed Emergency Form along with any required supporting documents (receipts, photographs of the damage and repair if available).

6. Within 10 days of receipt of the completed Emergency Form, ONHWP will determine whether the builder has reimbursed the homeowner, and if not, will conduct a desk assessment type of conciliation, and issue a Warranty Assessment Report to the homeowner and the builder. If ONHWP identifies any emergency item as warranted in the Warranty Assessment Report, the conciliation will be considered chargeable.
7. ONHWP will notify the builder that the builder has 30 days to reimburse the homeowner for their reasonable costs associated with the warranted repairs undertaken, as documented in the Emergency Form and confirmed by ONHWP in the Warranty Assessment Report.
8. If the builder fails to reimburse the homeowner, ONHWP will settle directly with the homeowner, and pay compensation to the homeowner from the guarantee fund. The builder will be invoiced for the amount of the compensation paid, plus an administration fee of 15 per cent and any applicable taxes.

EXTREME EMERGENCIES

An extreme emergency is a situation that, in the opinion of ONHWP, requires an immediate response in order to preserve the integrity of the home, and/or prevent serious personal injury or warranted damage. ONHWP reserves the right to streamline this process further in extreme emergency situations requiring a more immediate response, and will make reasonable attempts to inform the builder if a speedier process is required.

2. Seasonal Items

A seasonal item is any warranted item listed on a Warranty Service Form submitted to ONHWP between November 16 and April 30 (inclusive), involving the exterior of the home, which cannot be repaired effectively within the normal Warranty Service Rules due to weather constraints. A seasonal item includes a warranted item related to:

- Exterior painting
- Exterior cement/concrete work (e.g., parging application/repairs)
- Exterior mortar work (e.g., brick installation/repairs)
- Exterior stucco work/repairs (including repairs to exterior insulation finishing systems (EIFS))
- Exterior caulking
- In-ground supports for decks
- Any other exterior work deemed appropriate by ONHWP (but not including air conditioning, grading, sod, driveways and walkways, which are covered separately below)

If the item is submitted on a Warranty Service Form to ONHWP between May 1 and November 15 (inclusive), the normal Warranty Service Rules apply. A builder who needs more time due to unsuitable weather conditions may apply to ONHWP for an extension under the “Extraordinary Situations” provisions of this Bulletin (see page 14).

Seasonal Items Procedure

If the item is submitted on a Warranty Service Form between November 16 and April 30 (inclusive), the following procedure applies:

1. The homeowner requests the repair by submitting the Warranty Service Form to ONHWP at the normal specified times under the Warranty Service Rules. For one-year warranty items, the homeowner will submit the 30-day or Year-End Form.
2. The builder is required to complete the repairs as soon as possible after the return of suitable weather conditions, but no later than September 1.

3. If the item has not been repaired by September 1, the homeowner may contact ONHWP in the 30-day period between September 2 and October 1 to schedule a conciliation. ONHWP will advise the builder in writing of the outstanding items to be repaired, and of the date that a conciliation will take place if the builder does not resolve the outstanding items within 30 days of the homeowner's request for conciliation.
4. The builder has 30 days from the date when the homeowner requests a conciliation in order to complete the repairs.
5. If the builder has not completed the repairs within 30 days, ONHWP will conduct a conciliation and issue a Warranty Assessment Report to the builder and the homeowner within 10 days from the expiry of the 30-day repair period. If the Warranty Assessment Report states that the item is warranted, the conciliation will be considered chargeable.
6. The builder has up to 30 days from the date when ONHWP issues the Warranty Assessment Report to complete the repairs, as long as the repairs are completed by November 15.
7. If the builder does not complete the repairs within 30 days or by November 15, ONHWP will settle directly with the homeowner and pay compensation to the homeowner from the guarantee fund. ONHWP will invoice the builder for the amount of the compensation, plus an administration fee of 15 per cent and applicable taxes.

3. Special Seasonal Items: Final Grading, Sod, Driveways and Walkways

Installation of, or repairs to, warranted items involving final grading, sod, driveways and walkways are classified as "special seasonal items".

Special Seasonal Items Procedure

1. The homeowner requests the repair or installation of final grading, sod, driveways and walkways by listing the item and submitting the 30-Day or Year-End Form to ONHWP. (If the item is also on the PDI Form, the homeowner may attach the PDI Form and refer to it as part of their Warranty Service Form.)
2. The builder has up to one year from the date of possession to complete the installation or repair.
3. If any installation or repair is not completed by the first anniversary of the date of possession, the homeowner is entitled to notify ONHWP within 30 days after the anniversary date.
4. ONHWP will conduct an inspection and issue a Warranty Assessment Report to the builder and the homeowner within 10 days after the homeowner notifies ONHWP.
5. If the Warranty Assessment Report states that any of the final grading, sod, driveway and walkway items are warranted, ONHWP will then settle directly with the homeowner and pay compensation to the homeowner from the guarantee fund or arrange the repair. ONHWP will invoice the builder for the amount of the compensation or repair costs, plus an administration fee of 15 per cent and applicable taxes.

4. Special Seasonal Item: Air Conditioning between May 15 and September 15

Air conditioning defects are covered under the first year warranty only. The warranty applies if the builder installed the system, or undertook to install it but did not complete the installation. A warranted air conditioning defect that causes a complete loss of cooling between May 15 and September 15 is considered a "Special Seasonal Item" and will be dealt with outside the standard Warranty Service Rules.

The homeowner may report an air conditioning defect on a 30-Day or Year-End Form, or by other written request between May 15 and September 15. The air conditioning item will be treated separately from the other items on the Warranty Service Form, and will be subject to the procedure below.

Procedure for Air Conditioning: May 15 to September 15

1. The builder is required to complete the repairs as soon as possible and no later than 30 days from the day ONHWP receives confirmation of the air conditioning defect.
2. The homeowner can request an inspection by ONHWP if the builder has not completed the repairs by the end of the 30-day period.
3. ONHWP will conduct the inspection and issue a Warranty Assessment Report to the builder and the homeowner within 10 days of the homeowner's request.
4. If the Warranty Assessment Report states that the air conditioning item is warranted, the conciliation will be considered chargeable and ONHWP will settle directly with the homeowner, and will pay compensation to the homeowner from the guarantee fund or arrange the repairs. The builder will be invoiced for the amount of the compensation or repair costs, plus an administration fee of 15 per cent and applicable taxes.

5. Extraordinary Situations

An Extraordinary Situation exists when it is not possible for the builder to complete the repair within the normal 120-day builder repair period under the Warranty Service Rules for reasons that are not related to seasonality or emergencies. There are two types of Extraordinary Situations:

Builder Extraordinary Situations

A builder Extraordinary Situation is where a builder requires additional time beyond the 120-day builder repair period to complete the necessary repairs due to special circumstances affecting the builder or one of the homes the builder is servicing. For example, a repair may require the special order of a part that will take more time to arrive than the 120-day builder repair period permitted under the Rules.

Increased cost of the repair, for example as a result of the original installer being unavailable in the normal 120-day initial builder repair period, is not an acceptable reason on its own for a builder to delay repairs beyond the normal Rules.

Procedure for Builder Extraordinary Situations

1. A builder who encounters an Extraordinary Situation regarding an item listed on a Warranty Service Form is required to notify the ONHWP Regional Office and the homeowner, in writing, no later than Day 110 of the 120-day initial builder repair period. The notice must:
 - a. State which item on a Warranty Service Form cannot be repaired in the normal 120-day initial builder repair period, and why, including written proof of the builder's situation;
 - b. Acknowledge in writing that the item is warranted and that the builder undertakes to repair it; and
 - c. State the proposed extension to the 120-day initial builder repair period to complete the repair(s) in question.
2. ONHWP will then review the situation, and may require the builder to produce additional proof of the circumstances in question. If ONHWP does not receive any written notice from the builder by Day 110 of the 120-day initial builder repair period, or any additional proof of the circumstances as required, the normal 120-day initial builder repair period will apply.

3. ONHWP will inform the builder and the homeowner, within 10 days of receipt of the written notice with sufficient proof from the builder, if an extended builder repair period is justified, and if so, the number of days by which the builder repair period may be extended to complete the repair(s) in question.

Industry/Regional Extraordinary Situations

Industry/Regional Extraordinary Situations require an extension of the normal 120-day initial builder repair period for a part of the construction industry, a region, or the entire province. Examples include but are not limited to:

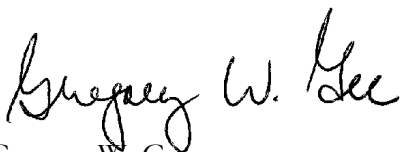
- An irregular (i.e., not ongoing or “normal”) labour or trade shortage
- An irregular (i.e., not ongoing or “normal”) shortage of work material
- Strikes or other serious labour disruptions
- Severe weather or other ‘acts of God’

Procedure for Industry/Regional Extraordinary Situations

1. A potential Industry/Regional Extraordinary Situation may be brought to the attention of ONHWP’s Vice President of Warranty Services by a written application from a builder, by the OHBA or by a local Home Builders’ Association.
2. ONHWP will thoroughly review the application, and may require additional documentation to assess the situation.
3. If ONHWP confirms that an Industry/Regional Extraordinary Situation exists or is about to happen, ONHWP will issue a written Warranty Alert to all builders concerned. The Alert will announce the nature of the event, which regions, industries, or types of warranties are affected, and in what circumstances the permitted extension will apply to the 120-day builder repair period.
4. A builder who is affected by the Industry/Regional Extraordinary Situation and requires the extended builder repair period provided in the Warranty Alert is required to provide written notice to the affected homeowners as soon as possible. The notice must be delivered before the expiry of the normal 120-day initial builder repair period, and no later than 10 days from receipt of the Alert. The notice must include an explanation of why the extension is required for the home, and the number of days that the builder repair period has been extended due to the Alert. The normal 120-day initial builder repair period in the Rules will continue to apply to builders who do not provide the proper notice to homeowners.

APPENDIX B: ONGOING REVIEW OF THIS BULLETIN

Beginning October 1, 2003, ONHWP will collect and review input from all stakeholders, including builders and homeowners, and monitor the appropriate data regarding the implementation of the Warranty Service Rules. Once sufficient data has been collected and reviewed, ONHWP will decide whether to reduce the initial builder repair period from 120 to 90 days.



Gregory W. Gee
Registrar

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