Q&A: Tarion Seeking Feedback on Changes to the Customer Service Standard and Additional Consumer Protection Initiatives

Tarion is seeking public input on proposed consumer protection initiatives to build a more transparent, fair, and accountable new home warranty and protection program for the people of Ontario.

Tarion is accepting feedback on proposals to address three of the recommendations of the Auditor General, as well as an additional consumer protection initiative. Public feedback will help to inform Tarion's final recommendations.

This Q&A has been developed to assist in providing more information.

- 1. What consumer protection initiatives is Tarion seeking public input on?
- 2. When would these proposed improvements come into effect?
- 3. How is Tarion collecting input from consumers?
- 4. How will these improvements enhance consumer protection?
- 5. <u>Do I need to comment on all proposed improvements for my feedback to be considered?</u>
- 6. Why has Tarion only now decided to reconsider the 30-day deadline?
- 7. Will there be special considerations given to homeowners receiving relocation compensation who have a large family? Relocating two people is much different than relocating a family of five.
- 8. You previously consulted on relocation costs? How is this different than before?
- 9. The Auditor General recommended removing the 30-day deadlines and allowing homeowners to submit requests for assistance at any time during the first year of ownership? Do these options address this?
- 1. What consumer protection initiatives is Tarion seeking public input on?

Tarion is looking for feedback on proposals to address three of the recommendations of the Auditor General of Ontario.

Specifically, Tarion is consulting on:

- A new, improved customer service standard;
- A new warranty on unfinished items at the time of possession; and
- A new process for information-sharing with municipalities.

Tarion is also consulting on an additional consumer protection initiative to create a new Accommodation Warranty to protect homeowners who need to relocate during warranty repairs.

Together, the changes Tarion is making will help homeowners, increase consumer confidence, and create a stronger new home warranty and protection program for all Ontarians.

2. When would these proposed improvements come into effect?

The proposed improvements are anticipated to come into effect by the end of this year to align with Tarion's Implementation Plan to complete the Auditor General of Ontario's recommendations.

Tarion is committed to keeping the public informed on these important changes. We will continue to communicate with key stakeholders, including homeowners and builders, on the timing of these changes.

This document includes potential policy proposals and options. Tarion will consult on drafts of any required regulations on Ontario's Regulatory Registry after feedback from this consultation is considered.

For more information on Tarion's Implementation Plan to address the Auditor General of Ontario's recommendations please click <u>here</u>.

3. How is Tarion collecting input from consumers?

Tarion is collecting input from stakeholders through online roundtables with homeowners, meetings with consumer groups, and submissions from any member of the public to submissions@Tarion.com by April 30, 2021.

Tarion welcomes feedback and encourages anyone interested to provide comments as part of the consultation process.

4. How will these improvements enhance consumer protection?

These changes will help Tarion improve our customer service timeframes, modernize our processes to better serve the needs of homeowners, and be a more responsive and transparent authority.

For example:

- Enhancements to the Customer Service Standard will improve homeowners' ability to seek assistance from Tarion, reduce the number of missed timelines, and increase opportunities for homeowners to receive warranty coverage.
- Warranty coverage for missing and unfinished items will provide homeowners with additional protection and ensure they retain their full warranty rights.
- Additional information-sharing with municipalities will help encourage better building practices.

5. Do I need to comment on all proposed improvements for my feedback to be considered?

Tarion recognizes that not all of the topics will be relevant to every individual or organization. Pleaseprovide comments on the topics that are relevant.

While this consultation focusses on specific recommendations and questions, if you have additional comments related to any matter raised in the Auditor General of Ontario's report please send them to submissions@tarion.com. Please title these with the subject "Additional Submissions".

6. Why has Tarion only now decided to reconsider the 30-day deadline?

Effective September 14, 2020, Tarion made interim improvements to Tarion's Customer Service Standard (CSS).

These changes include increasing homeowners' ability to access help from Tarion by adding 10-day grace periods to:

- The initial 30-day claim submission period
- The initial 30-day request for conciliation period
- The year-end claim submission period with written evidence the homeowner reported items to their builder during the first-year warranty period
- The year-end request for conciliation period

Additionally, these changes allow homeowners to add additional items to forms during the 30-day and year-end claim submission periods, and increase the types of claims that can be addressed anytime in the first year by expanding the definition of emergency claims to include any water penetration claims.

Now, Tarion is seeking input on long-term regulatory changes to the CSS, including different options to address the Auditor General of Ontario's recommendations and to reducing the builder repair period, which was not part of the interim measures.

7. Will there be special considerations given to homeowners receiving relocation compensation who have a large family? Relocating two people is much different than relocating a family of five.

Tarion is looking for public feedback on this question and has included it in our discussion guide.

Tarion welcomes feedback and encourages anyone interested to provide comments to submissions@Tarion.com.

8. You previously consulted on relocation costs. How is this different than before?

The previous consultation was designed to help Tarion get a better understanding of stakeholder feedback on relocation costs and Tarion's current Temporary Relocation Allowance.

Based on the feedback from the previous consultation, Tarion is now proposing to create a new Accommodation Warranty which would cover an amount of up to \$150 per day with a cap of \$25,000 (or \$150/day for a maximum of 23 weeks). This new warranty would fall within the existing maximum statutory warranty coverage limit.

9. The Auditor General recommended removing the 30-day deadlines and allowing homeowners to submit requests for assistance at any time during the first year of ownership? Do these options address this?

In the consultation discussion guide, Tarion has proposed two options for a new CSS, as well as several questions to help us evaluate them – including removal of some 30-day deadlines, and removing the post request for conciliations repair period in both options.

While these two options are used as a basis for the consultation, the final approach adopted may be different from either option, based on the feedback received during the consultation process.

In addressing the Auditor General of Ontario's recommendation, Tarion's goal is to help homeowners benefit from enhanced consumer protection and improve homeowners' ability to seek assistance from Tarion, making it simpler to apply, and result in fewer missed timelines.