



BUILDER BULLETIN 30

(Revised)

EXPANDED REGISTRATION REQUIREMENTS

**EFFECTIVE:
JANUARY 1, 1995**

This bulletin replaces Builder Bulletin 30 issued September 27, 1993 and effective October 1, 1993.

BACKGROUND

Effective January 1, 1995, the Ontario New Home Warranty Program (ONHWP) will be implementing expanded registration requirements for builders/vendors who are new to or are re-entering ONHWP as builders/vendors of low-rise condominium projects. These registration requirements will also continue to apply to new builders/vendors of freehold units.

The expanded registration requirements, composed of an interview and a technical test, have been developed as part of ONHWP's prevention strategy to help minimize claims in a new builder's first years of registration.

As a self-funding, non-profit corporation, ONHWP must exercise due diligence in assessing the risk when registering new applicants. The purpose of the expanded review is not to exclude applicants from residential construction but to assess the business and construction capabilities of the applicant better so that ONHWP can provide the new builder or vendor with training and support.

The expanded registration requirements are mandatory. Failure to comply with either a request for an interview or a technical test will result in the Registrar issuing a Notice of Proposal to Refuse Registration.

APPLICANT CRITERIA

Applicants to ONHWP will be required to attend an interview and to complete a technical test if they meet any of the following conditions:

1. new applicants who have never registered with ONHWP;
2. applicants whose registration has been expired for three years or more;

3. previously-registered applicants who have unsettled claims outstanding;
4. applicants who have been previously refused or revoked by the Registrar but have satisfied ONHWP that their circumstances have changed materially;
5. applicants who are re-registering and changing their status from "Vendor" only to "Vendor/Builder";
6. previously-registered applicants who have made a significant change in principals, including those responsible for construction or the day-to-day operations of the company;
7. applicants who are presently registered with ONHWP but have no experience in the low-rise condominium construction industry.

Note:

- Low-rise condominium means a project where all of the units and all of the common elements are designed and constructed under Part 9 of the Ontario Building Code (OBC).
- High-rise condominium means all other condominium projects and they are not subject to these registration requirements. See Builder Bulletin 35 for information about registration and enrolment and Builder Bulletin 19 for information about the design and site review reporting for high-rise projects.

WHAT'S INVOLVED

An interview and a construction technical test have been developed to obtain more information on the organization and business plans of companies who fall into any of the above categories as well as to evaluate construction practices and problem solving skills.

Interview

In addition to completing the application form and providing the required documentation, a principal holding a decision-making position in the applicant company must meet with the Regional Client Services Representative to discuss the firm's business and construction experience, marketing strategy, contractual documents, anticipated construction and customer service plan.

During the interview the Client Services Representative will also outline the obligations of the applicant under the Ontario New Home Warranties Plan Act and the consequences and benefits of meeting those obligations. Regional staff will also introduce the types of technical support that are available to the new builder or vendor.

Technical Test

The technical test, based on Part 9 of the Ontario Building Code, will be completed by the principal or most senior employee directly supervising construction. The test is comprised of 30 multiple choice questions covering the most common and costly ONHWP claim defects and the most common problems that builders experience. The test may also include plan or construction details where deficiencies must be identified. Both the Ontario Building Code and the Code and Construction Guide for Housing may be referred to during the test.

Applicants seeking registration as "Vendors" only, need not complete the technical test. Vendors must contract with a registered builder to construct units.

Note: Test results are especially important if the applicant has had no previous history with ONHWP.

Arrangements can be made to conduct the interview and test at locations other than the ONHWP Regional Offices. Call the Client Services Representative at your local ONHWP Regional Office for information.

TERMS AND CONDITIONS OF REGISTRATION

The Builder Services Department will continue to perform a financial and document analysis and a review of past performance and linkages with other companies, if appropriate, prior to the registration of an applicant.

The results of these two new evaluations, the business skills review (interview) and the technical review (test), will be considered along with the financial analysis and review of past performance to determine the appropriate terms and conditions of registration. These may include security requirements, enrolment limitations, an inspection program and successful completion of an approved course or courses of study. The applicant will be notified of the terms and conditions of registration by the Registrar through the Builder Services Department.

Consult Builder Bulletin 31 for more information about the Targeted Inspection Program for freehold homes. See Builder Bulletin 38 for more information about the Low-Rise Condominium Inspection Program.

FOR MORE INFORMATION

If you have any questions regarding the expanded registration requirements please contact the Builder Services Department at (416) 229-9200 or 1-800-668-0124 or the ONHWP Regional Office in your area. A list of ONHWP offices is included on the back of this Builder Bulletin.



Aubrey L. LeBlanc
President/Registrar

OFFICES OF THE ONTARIO NEW HOME WARRANTY PROGRAM

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Condominium Office

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