



BUILDER BULLETIN 36 (Revised)

RATING CRITERIA FOR AFTER SALES SERVICE

Effective April 2, 2003 ONHWP is suspending the Builder Ratings program. There are no Builder Ratings (e.g., "Excellent") for 2003 and until further notice. Builder Bulletin 36 is suspended, except for the definitions section. We will continue to collect data related to chargeable conciliations (as defined in Bulletin 36) for internal purposes, to be used in determining builders' terms and conditions of registration (e.g., security requirements under Builder Bulletin 28).

Effective: January 01, 2000

This bulletin replaces Builder Bulletin (36 Revised) issued and effective September 03, 1996

BACKGROUND

Builder Bulletin 36 (Revised) sets out the rating criteria for after sales service. In 1999, the Ontario New Home Warranty Program (ONHWP) consulted with the home building industry and consumer groups concerning ways to improve the rating system.

Particular attention was given to devising a better way to recognize builders with a long-term history of Excellent ratings for after sales service. ONHWP supports these builders/vendors with advertising materials to help them promote their success. This continues to be an easy and popular way to help consumers choose a builder and to promote the purchase of a new home.

WHAT HAS CHANGED?

Beginning in 2000, ONHWP will no longer publish a printed version of the Home Buyer's Guide to After Sales Service. Rather, ratings will be available from our web site at www.newhome.on.ca and through a toll free telephone service.

Also beginning in 2000, ONHWP will recognize the builder/vendor's rating history by featuring their total consecutive years of Excellent ratings on the web site, on their Certificate of Excellence and through the toll free telephone service. This will replace the previous practice whereby builders who maintained an Excellent rating for five or ten years were recognized with a one-star or two-star Seal of Excellence respectively. In addition, the distinctive symbol for zero chargeable conciliations is being dropped. Consequently, the title of this bulletin has been changed to Rating Criteria for After Sales Service.

This is a capsule version of the bulletin's requirements for convenience only. Read the details on the following pages for full information to meet the bulletin's requirements.

RATING CRITERIA FOR AFTER SALES SERVICE

Ratings will continue to be based on the ratio of chargeable conciliations to possessions (see Definitions section). Delayed closing and occupancy claims and major structural defect claims were phased into the ratings beginning in 1997. Chargeable conciliations relate only to the possessions of the three-year rating period. For example, a chargeable conciliation which occurred during the 1996 to 1998 rating period but related to a possession in 1995, did not

affect a builder's rating in the 1999 Home Buyer's Guide to After Sales Service since it did not relate to a possession accumulated in the three-year rating period.

All active builders/vendors, i.e., those who have had at least one possession during the three-year rating period are rated. Registered builders/vendors with no possessions in the three-year rating period are given a **Rating Pending** notation if they had homes enrolled or Not Rated if they had no enrolments and no possessions.

Builders/Vendors Registered for Less than 36 Months

Active builders/vendors who have been registered for less than 36 months will be rated **New** unless their ratio of chargeable conciliations to possessions classifies them as **Below Average**.

Builders/Vendors will have a **Below Average** rating if they have:

- Fewer than 25 possessions and two or more chargeable conciliations or
- 25 or more possessions and more than one chargeable conciliation for every 25 possessions.

Here's how the rating system works:

Ratings For Builders/Vendors Registered Less Than 36 Months	
Number of Chargeable Conciliations	Number of Possessions 1 to 24
0 or 1	New
2 or more	Below Average
Number of Chargeable Conciliations	Number of Possessions 25 or More
0	New
No more than 1 Chargeable for every 25 possessions	New
More than 1 Chargeable for every 25 possessions	Below Average

For example, a builder/vendor who has been registered less than 36 months and has:

- 30 possessions and two chargeable conciliations will have a Below Average rating (more than one chargeable conciliation for every 25 or more possessions)
- 55 possessions and two chargeable conciliations will have a New rating (no more than one chargeable conciliation for every 25 or more possessions)
- 55 possessions and three chargeable conciliations will have a Below Average rating (more than one chargeable conciliation for every 25 or more possessions)

Builders/Vendors Registered for 36 Months or More

The rating for builders/vendors registered for 36 months or more is grouped according to the number of possessions accumulated during the three-year rating period.

Ratings for active builders/vendors are assigned according to the following levels of builder performance:

25 or More Possessions:

Excellent: no more than one chargeable conciliation for every 75 possessions

Above Average: no more than one chargeable conciliation for every 50-74 possessions

Good: no more than one chargeable conciliation for every 25-49 possessions

Below Average: more than one chargeable conciliation for every 25 possessions

Fewer Than 25 Possessions:

Low volume builders/vendors registered for 36 months or more and with between three and nine possessions can achieve a better than **Good** rating as follows:

Excellent: registered for at least five years with no chargeable conciliations over the past three years and a minimum of three possessions spread over at least two years out of the three-year rating period

Above Average: registered between three and five years with no chargeable conciliations over the past three years and a minimum of three possessions spread over at least two years out of the three-year rating period

Low volume builders/vendors with possessions in one year only of the three-year rating period will be rated **Good** unless the Economic Climate Provision (described on page 5) applies.

Builders/vendors registered for 36 months or more and with between 10 and 24 possessions can achieve an **Excellent** rating as follows:

Excellent: no chargeable conciliations

Builders/vendors registered for 36 months or more and with fewer than 25 possessions and two or more chargeable conciliations will be rated **Below Average**.

All other builders/vendors registered for 36 months or more and with fewer than 25 possessions and one chargeable conciliation will be rated **Good**.

Here's how the rating system works:

Builders/Vendors Registered for 36 Months or More	
Number of Chargeable Conciliations	Number of Possessions 3 to 9 (Low Volume) during the three-year rating period
0	Excellent (if registered at least 5 years and has at least three possessions spread over two years of the three-year rating period)
0	Above Average (if registered for 3 to 5 years and has at least three possessions spread over two years of the three-year rating period)

0	Good (if registered at least 36 months and has had 3-9 possessions all in the same year)
0	Good (if only 1 or 2 possessions)
1	Good
2 or more	Below Average
Number of Chargeable Conciliations	Number of Possessions 10 to 24 (during the three-year rating period)
0	Excellent
1	Good
2 or more	Below Average
Number of Chargeable Conciliations	Number of Possessions 25 or more (during the three-year rating period)
0	Excellent
No more than 1:	
For every 75 possessions	Excellent
For every 50-74 possessions	Above Average
For every 25-49 possessions	Good
More than 1 for every 25 possessions	Below Average

For example, a builder/vendor who has been registered at least 36 months and has:

- 100 possessions and one chargeable conciliation will have an **Excellent** rating (no more than one chargeable conciliation for every 75 possessions)
- 55 possessions and one chargeable conciliation will have an **Above Average** rating (no more than one chargeable conciliation for every 50 possessions)
- 15 possessions and one chargeable conciliation will have a **Good** rating
- 7 possessions and two chargeable conciliations will have a **Below Average** rating
- 7 possessions and no chargeable conciliations over the past 3 years will have an **Excellent** rating if the builder/vendor has been registered at least 5 years and has at least three possessions spread over two years of the three-year rating period
- 7 possessions and no chargeable conciliations will have an **Above Average** rating if the builder/vendor has been registered for at least 36 months but less than 5 years (see

example above) and has at least three possessions spread over two years of the three-year rating period

- only 1 or 2 possessions and no chargeable conciliations, the builder/vendor will be rated as **Good** (unless qualifies for **Excellent** rating by the Economic Climate Provision as listed below)

Economic Climate Provision

Builders/vendors with either one or two possessions, or those with three to nine possessions – all in the same year of the three-year rating period, do not qualify for an **Excellent** rating.

However, builders/vendors can receive an **Excellent** rating if they have:

- an Excellent rating in the previous year and
- between one and nine possessions – all in the same year of the current three-year rating period and
- no chargeable conciliations during the current three-year rating period.

Recognition of Sustained Excellence

Beginning with the 2000 ratings for After Sales Service, builders/vendors will be informed about how many consecutive years of **Excellent** ratings they have had since the first Home Buyer's Guide to After Sales Service in 1988. The total number of consecutive years with an Excellent rating will be featured on each Certificate of **Excellence** and on the ONHWP web site at www.newhome.on.ca.

DEFINITIONS

- a. "Chargeable conciliation" means any conciliation where there are warrantable items identified by ONHWP staff and the vendor was not denied access and could have avoided the conciliation by attending to the homeowner's complaints.

All conciliations are deemed to be chargeable conciliations to the vendor unless there are no warrantable items identified by ONHWP staff during the conciliation process. Even if only one warrantable item is assessed, whether major or minor in nature, the conciliation will be chargeable to the vendor.

Exceptions:

- i. Where the homeowner identifies new complaint items for the first time during a conciliation inspection, these items will not be considered when determining if the conciliation is chargeable to the vendor.
 - ii. Where the vendor can demonstrate that the homeowner refused reasonable access to rectify the complaints prior to the conciliation, then the conciliation is not chargeable to the vendor.
 - iii. Where the vendor and the homeowner disagree about the method or timing of repair and seek ONHWP's intervention, and ONHWP supports the vendor's recommendation, then the conciliation is not chargeable to the vendor.
- a. "Conciliation" means a process where ONHWP attempts to resolve a dispute between a homeowner and a vendor; the conciliation process may consist of a site visit, a single or series of telephone meetings, a review of documentation, or combinations of these.
 - b. "Possession" means a home that was completed for occupancy and for which ONHWP has received a copy of the Certificate of Completion and Possession (CCP).

- c. "Warrantable items" means items that fall within the provisions of Section 13 of the *Ontario New Home Warranties Plan Act (the Act)* and Part VI of Regulation 892 under the Act.

FOR MORE INFORMATION

If you have any questions about the rating criteria for After Sales Service please contact the Corporate Affairs Department at (416) 229-9200 or toll free at 1-800-668-0124 or the ONHWP Office in your area.