

# Builder Bulletin 28

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Background

Builder Bulletin 28 (BB28): Tarion Requirements for Release and Receipt of Security is a policy document that sets out the rules for the taking and release of security by Tarion in respect to licensed vendors and builders.

In 2016, Tarion launched a review of BB28 which include a formal consultation process requesting feedback from key stakeholders, including consumers and the building industry. Tarion received general support for the guiding principles in this document ([click here](#) to review the draft BB28 posed in 2016). The objective of the review of BB28 is to develop new policies that are more current; better targeted to risks; and easier to use and understand. After extensive review of the diverse feedback received from various stakeholders during the previous feedback process and continued internal analysis of the current BB28, Tarion has arrived at new proposed drafts of BB28 found [here](#).

Tarion believes the updated BB28 positions Tarion to move forward in the new regulatory environment and ultimately raise the level of consumer protection for buyers and owners of new homes in Ontario.

Key changes between the proposed models and the current BB28 policy include the following:

1. The policy is separated out by product type, with a standalone policy for each of freehold, condo C/D, and low-rise products. This makes the documents easier to use and easier to change in the future. Future consideration could be given to further refining the policies to include separate consideration of contract/custom homes or of condo types C & D.
2. The policy is framed expressly as a guideline as opposed to a set of prescriptive rules. This recognizes the reality that security adjustments may have to be customized in any given situation.
3. The risk assessment model has been entirely revised. The new model uses a matrix approach based on tenure (for freehold) or completed projects (for condo type C&D), and risk factors. The model has been reframed to use tenure or completed projects as the primary driver, with size, credit, claims history and equity as secondary factors.

Tarion wants your feedback on our proposed BB28. Please review these documents closely, while taking special considering on how it affects you and/or your business. Tarion wants to know which areas are not clear to you, or where you find the documents may be problematic or challenging for your business.

The new draft Builder Bulletin 28 documents can be found at the links below.

- [Builder Bulletin 28F – Freehold](#)
- [Builder Bulletin 28H - Highrise](#)
- [Builder Bulletin 28L - Lowrise](#)

Please share your feedback with Tarion by February 28, 2019 by emailing [submissions@tarion.com](mailto:submissions@tarion.com).