

## Q&A: Information About New Consumer Protection Initiatives

Effective December 3, 2020, homeowners will benefit from changes Tarion is making to improve customer service and consumer protection under Ontario's new home warranty and protection program.

This QA has been developed to answer some common questions from homeowners and builders:

1. What are the new changes to help consumers?
2. How will these measures help homeowners?
3. What is the new Homeowner Learning Hub? How does this new hub impact the Homeowner Information Package?
4. What should I do if I am interested in participating in mediation with Tarion?
5. What are the new improvements to the Ontario Builder Directory?
6. Are all new homes going to be inspected by Tarion's new risk-based inspection program?

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### 1. What are the new changes to help consumers?

The changes and improvements Tarion has made to help consumers include:

- A new e-learning hub with plain-language modules to help homeowners understand their warranty coverage, rights and responsibilities and the importance of the Pre-Delivery Inspection (PDI);
- A new timely and cost-effective mediation option for homeowners who dispute Tarion's warranty assessments, using independent mediators;
- A new targeted inspection program aimed at higher risk builders to proactively identify potential deficiencies relating to Ontario's Building Code prior to occupancy.
- Updated policies related to performance security and collections, to bolster builder accountability if they do not honour their warranty obligations;
- A new risk-based inspection program to proactively identify potential deficiencies related to Ontario Builder Directory violations during construction;
- Requirements that builders provide Tarion with information regarding title and title restrictions for condominium construction projects deemed to be high-risk;
- Additional disclosure to purchasers of restrictions that could cause delay or cancellation of a project; and
- Improvements to the Ontario Builder Directory to include additional helpful information such as defects a builder refused to repair, unpaid money a builder owes to Tarion, and the investigations into a builder's behaviour that found they lacked honesty and integrity.

Tarion has also implemented changes which take effect for all Agreements of Purchase and Sale signed on, or after, February 1, 2021:

- A new requirement for a [Warranty Information Sheet](#) to be attached to all purchase agreements to provide clear and helpful warranty information at the time of sale;
- A new requirement for builders to provide Tarion with purchaser contact info to allow for earlier communication about the importance of the PDI as well as key elements of the new home warranty that would apply during the pre-possession period.

Finally, as consulted on earlier this year, Tarion is also moving forward with an additional consumer protection initiative to change some warranty compensation limits, including:

- Increasing the compensation limit for claims involving hazardous substances (such as mould and radon)
- Increasing the compensation limit for defects relating to condominium common elements (such as parking garages, and exterior cladding); and
- Increasing the compensation limit on septic system issues where homes have a separate septic system.

## 2. [How will these new measures help homeowners?](#)

We are confident that the changes we are making will help homeowners and create a stronger new home warranty and protection program for all Ontarians.

For example, Tarion has implemented:

- [A new e-learning hub](#) with plain language modules to help homeowners understand their warranty coverage, rights and responsibilities, and the importance of the Pre-Delivery Inspection;
- A new timely and cost-effective mediation option for homeowners who dispute Tarion's warranty assessments, using independent mediators;
- A new targeted inspection program aimed at higher risk builders to proactively identify potential deficiencies relating to Ontario's Building Code prior to occupancy;
- Improvements to the [Ontario Builder Directory](#) to include additional helpful information such as defects a builder refused to repair, unpaid money a builder owes to Tarion, and the investigations into a builder's behaviour that found they lacked honesty and integrity.
- A new requirement for a [Warranty Information Sheet](#) to be attached to all purchase agreements to provide clear and helpful warranty information at the time of sale, for all Agreements of Purchase and Sale signed on, or after, February 1, 2021.

Additionally, Tarion implemented new changes some warranty compensation limits, including:

- Increasing the compensation limit for claims involving hazardous substances (such as mould and radon);
- Increasing the compensation limit for defects relating to condominium common elements (such as parking garages, and exterior cladding); and
- Increasing the compensation limit on septic system issues where homes have a separate septic system.

### 3. What is the new Homeowner Learning Hub? How does this new hub impact the Homeowner Information Package?

Tarion is replacing the Homeowner Information Package (HIP) with a suite of new educational tools that will not only provide clear and helpful information on homeowner's warranty rights and obligations, the warranty process and the responsibilities of builders and Tarion, but it will also give them more flexibility in how they access this information.

The new education tools will include:

- New mandatory [Warranty Information Sheets](#) that provide home buyers with an overview of warranty coverage and information about the Pre-Delivery Inspection (PDI) at the time of sale;
- A warranty coverage brochure that will include the roles and responsibilities of homeowners, builders and Tarion. You can find the [freehold home](#) and [condominium](#) versions on our website.
- [Homeowner Learning Hub](#) which will comprise a series of online modules covering relevant information for various parts of the home buying and ownership journey that homeowners can progress through at their own pace.

Taken together, these measures, which replace the HIP, will allow homeowners to familiarize themselves with warranty and protection information and help them understand the importance of the PDI and other elements of the warranty and protection program further.

The Warranty Information Sheets will also create a consistent and province-wide standard for providing new home purchasers with information on a timely basis.

### 4. What should I do if I am interested in participating in mediation with Tarion??

Tarion will be helping homeowners by providing access to more timely and cost-effective way to dispute Tarion's warranty assessments through a mediation process, which has been shown to be a less formal and simpler process.

This mediation process allows homeowners with claim concerns to use independent, third-party mediation to attempt to resolve the issue with Tarion while avoiding costly and time-consuming legal proceedings.

If you are interested in mediation, or would like more information, please reach out to [customerservice@tarion.com](mailto:customerservice@tarion.com)

### 5. What are the new improvements to the Ontario Builder Directory?

To help homebuyers make more informed choices when selecting a builder, Tarion is adding the following information to the [Ontario Builder Directory \(OBD\)](#):

- a. The number and percentage of homes with major structural defects that a builder constructed each year;
- b. The amount of money a builder owes to Tarion that remains unpaid;
- c. The number of defects under warranty that a builder refused to repair; and
- d. The number of defects the builder refused to repair that were due to the builder's non-compliance with Ontario's Building Code.

6. Are all new homes going to be inspected by Tarion's new risk-based inspection program?

No - Tarion's inspection program will target builders who Tarion feels are at a higher risk or may benefit from some additional on-site education.

In 2019, Tarion launched a pilot program for risk-based inspections of such builders.

Based on the learnings from the pilot and public feedback, Tarion has implemented a permanent risk-based inspection process of builders to proactively identify potential deficiencies during construction, including those related to Ontario's Building Code.