

Backgrounder

Tarion's Progress On Auditor General Recommendations

As an organization focused on consumer protection and increasing consumer confidence in the new home warranties and protection program, Tarion is accountable for the progress in our implementation of the Auditor General of Ontario's recommendations.

We also want to make sure our actions are transparent and, as such, Tarion has updated its Implementation Plan to address the recommendations directed it to from the Auditor General of Ontario.

Tarion's updated implementation plan detailing the status of each Auditor General recommendation as of December 1, 2021 can be found [here](#).

Of the 25 recommendations directed to Tarion in the Auditor General's report, 22 have been completed, with only three still in progress.

In 2021, we continued to make improvements following our roadmap to modernize Tarion. Some of these new changes include:

New Warranty for Unfinished Items

Tarion is prepared to move forward with an approach for a new warranty specifically for items that are unfinished when a homeowner takes possession.

This change is in response to recommendation #5.

The new warranty would allow for an extension of the warranty time period, so that the applicable warranty time line that applies (1 year, 2 year, or 7 year) begins from the time the missing item is installed, for the missing item only.

The new warranty would help consumers by including the following features:

- Allowing a homeowner to identify items that are missing from the home which should have been installed prior to occupancy in accordance with the agreement of purchase and sale.
- Those items will have an extended warranty to ensure that the homeowner gets the full length of statutory coverage that would have applied had the item been installed prior to occupancy. The extended warranty will begin on the date on which the item is completed by the builder.

- The length of the extended warranty will equal the time between occupancy and the date the item was installed.
- The builder is responsible for establishing the date on which the item was installed and for advising the owner of that date.
- If, after the item is installed, the owner wishes to make a warranty claim in respect of the item, the claim can be made within the applicable remaining warranty period plus the extended period.
- The claims process under the extended warranty will be similar to the CSS process for other warranty claim items, including builder repair periods, conciliation, Warranty Assessment Report, and resolution by Tarion if the item is warranted and not resolved by the builder.

Tarion is prepared to move forward with the implementation of this policy with a target date of late 2022 to ensure that appropriate time is given so that this policy can be properly integrated with the applicable changes to the customer service standard, including technology changes to ensure the new warranty is easy for homeowners to access and track. Tarion will work with the ministry on this proposal to support the implementation of the change.

New Information Sharing Process with Municipalities

In an effort to improve coordination with municipal building departments, Tarion will now be providing them a summary of any claims that were deemed warranted and were related to the Ontario Building Code.

This change is in response to recommendation #17.

This information is being provided to allow building departments an opportunity to better understand the issues that are brought to Tarion's attention after an occupancy permit is granted and help improve compliance with the Ontario Building Code.

By law, all new homes in Ontario built by a licensed vendor or builder come with a statutory warranty under the Ontario New Home Warranties Plan Act (ONHWPA). As the warranty administrator, Tarion ensures that new home buyers receive the statutory warranty coverage they are entitled to under the Act. This warranty protection extends to defects that violate the Ontario Building Code.

Individual emails will go out to municipal building departments on a quarterly basis with information on warranted OBC claims, if any, in that municipality.

Recommendations from the New Home Ombuds

In their report, the Auditor General of Ontario included a review of past recommendations made by the New Home Ombuds.

In line with recommendation #24, Tarion has posted the results of our efforts to resolve outstanding issues identified by the New Home Ombuds.

Tarion has now completed the last outstanding recommendations made by the New Home Ombuds – that Tarion review and revise its procedures for Delayed Closing, Financial Loss and Deposit Claims to ensure that they meet the requirements of fair process.

Additionally, going forward, Tarion will implement all recommendations made by the New Home Ombuds as part of ensuring we remain a fair, consumer focused organization.

Annual Public Meetings

In their report, the Auditor General of Ontario recommended that Tarion hold annual public meetings in person to improve transparency and public access to Tarion.

In line with recommendation #32, Tarion was planning to hold the 2020 and 2021 Annual Public Meetings (APM) in person, but due to the COVID-19 pandemic and public health requirements it was necessary to hold these meetings virtually.

Tarion signed a new Administrative Agreement with the Ministry of Government and Consumer Services this year which formalizes in-person public meetings by requiring Tarion to hold an APM that is “open to the general public to attend and participate through electronic means and, to the extent reasonably possible, in person...”

Subject to public health restrictions, Tarion will host an in-person Annual Public Meeting in 2022 and will do so every year thereafter.