

Tarion's Implementation Plan on the Auditor General of Ontario's Recommendations

Fall 2021 Update

December 1, 2021



Message from the President & CEO

On the following pages you will find Tarion's 2021 update to our Implementation Plan for the Auditor General of Ontario's recommendations arising from their October 2019 Special Audit of the Tarion Warranty Corporation.

Ontarians are looking for new homes that are safe and properly built, and they have every right to get them. With this valuable guidance from the Auditor General, we'll continue to improve and make changes that benefit new homebuyers and owners.

As we mark two years since the release of the Auditor General's report, Tarion has implemented 22 of the 25 recommendations directed to it.

This year, Tarion sought public input on proposed changes arising from the recommendations – including new proposals for its Customer Service Standard and warranty coverage for missing items when a homeowner takes possession of their new home. These are complex changes and, we want to get it right to ensure we are putting in place changes that are helping homeowners and creating real improvements in their new home buying experience.

We have developed and implemented a new process for sharing information on warranted Ontario Building Code (OBC) claims with municipal building officials to help municipalities better understand current construction issues and help improve compliance with the Ontario Building Code.

Despite the severe challenges posed by the COVID-19 pandemic, we have not lost momentum and continue to follow our roadmap to make these improvements and drive meaningful benefits for homeowners in Ontario. I remain confident that our modernization efforts will help all new home buyers in Ontario have peace of mind for one of life's most significant purchases and create a stronger new home warranty and protection program for all Ontarians.

Looking ahead, Tarion will continue to focus on its warranty administration mandate while implementing the remaining recommendations. We look forward to working together with the Minister of Government and Consumer Services, the board, the Home Construction Regulatory Authority, consumers, and all stakeholders to continuously improve the new homes industry environment, and ensure consumers are protected.

Sincerely,

Peter Balasubramanian
President & Chief Executive Officer

Tarion's Implementation Plan on the Auditor General of Ontario's Recommendations

25 of the 32 Auditor General recommendations were directed to Tarion to complete within two years of the report being issued. The remaining seven recommendations are not included in this plan, as they are being addressed by the Ministry of Government and Consumer Services or the Home Construction Regulatory Authority.

Tarion's Implementation Plan on the Auditor General's Recommendations
(as of December 1, 2021).

Completed	22
In Progress	3

Complete List of Auditor General Recommendations

Recommendation	Progress	Recommendation	Progress	Recommendation	Progress
1.2	Completed ✓	19.2	Completed ✓	9	HCRA Item
2.1	Completed ✓	19.3	Completed ✓	15.1	HCRA Item
2.2	Completed ✓	20.3	Completed ✓	15.2	HCRA Item
2.3	Completed ✓	20.4	Completed ✓	15.4	HCRA Item
3.1	Completed ✓	20.5	Completed ✓	20.1	HCRA Item
3.2	Completed ✓	20.6	Completed ✓	23.1	HCRA Item
3.3	Completed ✓	20.2	Completed ✓	1.1	MGCS Item
3.4	Completed ✓	23.2	Completed ✓	14	MGCS Item
4	Completed ✓	24.1	Completed ✓	18.1	MGCS Item
5.3	Completed ✓	24.2	Completed ✓	18.2	MGCS Item
6.3	Completed ✓	27	Completed ✓	21.1	MGCS Item
7.3	Completed ✓	28.1	Completed ✓	21.2	MGCS Item
8	Completed ✓	28.2	Completed ✓	21.3	MGCS Item
10.1	Completed ✓	28.3	Completed ✓	22	MGCS Item
10.2	Completed ✓	29.1	Completed ✓	25.1	MGCS Item
10.3	Completed ✓	29.2	Completed ✓	25.2	MGCS Item
10.4	Completed ✓	29.3	Completed ✓	25.3	MGCS Item
11	Completed ✓	30.1	Completed ✓	25.4	MGCS Item
12.1	Completed ✓	30.2	Completed ✓	26.1	MGCS Item
12.2	Completed ✓	31	Completed ✓	26.2	MGCS Item
12.3	Completed ✓	32	Completed ✓	29.4	MGCS Item
13.1	Completed ✓	5.2	In Progress		
13.2	Completed ✓	6.1	In Progress		
13.3	Completed ✓	6.2	In Progress		
15.3	Completed ✓	6.4	In Progress		
16.1	Completed ✓	7.1	In Progress		
16.2	Completed ✓	7.2	In Progress		
17	Completed ✓				
19.1	Completed ✓				

1. Sponsorships	Completed
<p>Recommendation: So that Tarion Warranty Corporation and any successor organization(s) maintain a balance between the interests of homebuyers and homebuilders (the latter as represented, for example, by the Ontario Home Builders' Association), we recommend that:</p> <ul style="list-style-type: none"> • Tarion should discontinue providing monetary sponsorship to the Ontario Home Builders Association. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has discontinued this activity and will no longer provide sponsorship(s) to the Ontario Home Builders' Association. • Tarion has also implemented corporate governance changes to align with Minister's Orders, including reducing the total number of Board members from 16 to 12, and that the majority of the Board will be made-up of non-builders – either appointed by the Government of Ontario or through an independent nominations process. 	

2. Pre-Delivery Inspection	Completed
<p>Recommendation: To ensure homebuyers receive sufficient time to familiarize themselves with the Homeowner Information Package so they understand the importance of the Pre-Delivery Inspection (PDI), we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • require builders to inform homebuyers about the importance of the PDI and provide them with the Homeowner Information Package at the time the purchase agreement for the home is signed; 	
<ul style="list-style-type: none"> • conduct random audits of builders to ensure that they comply with the above requirement or survey homebuyers to confirm builders are complying; and 	
<ul style="list-style-type: none"> • send out letters to homebuyers, before their occupancy date, reminding them about the importance of conducting the PDI. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has sought public input to proposed regulatory changes to address this recommendation. • Tarion finalized necessary regulatory changes for a Warranty Information Sheet to be attached to all purchase agreements to provide clear and helpful warranty information at the time of sale, as well as requiring builders to provide Tarion with purchaser contact information 30 days after the sale. • Tarion has sent notice to all registered builders of a new regulatory requirement. • Tarion will start conducting random and targeted audits of builders to ensure they are providing homeowners with the Warranty Information Sheet at the point of sale. • With contact information, Tarion will communicate directly with purchasers to provide more information and resources to help them better understand the warranty and protection program and the importance of the PDI before occupancy. 	

3. Homeowner Information Package and Other Publications	Completed
<p>Recommendation: To provide homebuyers with less confusing information on new-home warranties and their rights, we recommend that Tarion Warranty Corporation clearly explain in its Homeowner Information Package and its other publications:</p>	
<ul style="list-style-type: none"> the respective roles and responsibilities of builders and Tarion; 	
<ul style="list-style-type: none"> that homeowners should submit warranty claims directly to their builders, not Tarion; 	
<ul style="list-style-type: none"> that Tarion's role is to hold builders accountable for addressing unresolved homeowner warranty claims to builders; and 	
<ul style="list-style-type: none"> that homeowners do not lose their warranty rights with the builder if they do not ask Tarion for assistance. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> Tarion has reviewed all forms of customer communications and identified areas that require improvements, such as the website and homeowner brochures. Tarion has created improved communications content that will better inform homeowners. Tarion sought public input on how to provide greater clarity in its materials for homeowners. Tarion has implemented the improved content across all identified communications platforms to provide clear information to homeowners on their rights and the warranty process. Tarion will be retiring the HIP and replacing it with three pieces: <ul style="list-style-type: none"> A Warranty Information Sheet – which is a required attachment to all purchase agreements beginning Feb 1, 2021, and will replace the physical copy of the HIP currently provided. A Warranty Coverage brochure (online & print) – which is an additional homeowner education piece which will expand upon the warranty info sheet and talk about the roles of the builder, Tarion and homeowner. A Homeowner Learning Hub – which is a dedicated landing page on Tarion.com where homeowners can access individual learning modules and other education materials on the warranty process and relevant information on various stages in the home buying process. 	

4. Organization Name	Completed
<p>Recommendation:</p>	
<p>To eliminate any potential confusion about the role of Tarion Warranty Corporation, we recommend that Tarion either eliminate the word “Warranty” from its name or select a new less confusing name.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> Tarion has completed an examination into the requirements for a name change, including the removal of the word “Warranty”. Tarion has completed the revision of its consumer-focused materials to remove the word ‘warranty’ from its name. 	

8. Internal Appeal Process	Completed
<p>Recommendation:</p> <p>For homeowners to have access to more timely and cost-effective ways to appeal decisions of Tarion Warranty Corporation, and given that about 80% of appeals are settled by Tarion after decisions are appealed but before the cases are heard at the Licence Appeal Tribunal, we recommend that Tarion implement an internal appeal process that allows for simpler, less costly and homeowner-friendly appeals before requiring homeowners to go before the Licence Appeal Tribunal or a court. For example, Tarion could consider creating an appeal mechanism through its internal Ombudsperson's Office.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • After evaluating various options, Tarion initiated a mediation pilot program that includes independent, third-party mediation. • Tarion sought public input on a permanent independent, third-party mediation program as a quicker and less costly way to appeal Tarion decisions, as an alternative for homeowners. • Based on the pilot program and the feedback from the public consultation results, Tarion finalized a policy for a new mediation process and trained staff. • Tarion has fully implemented a timely and cost-effective, third-party mediation process for homeowners. 	

10. Licensing Decisions	Completed
<p>Recommendation:</p> <p>To ensure builders who do not honour their warranty obligations to homeowners are held accountable and their poor warranty performances are factored into licensing decisions, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • specify what evidence builders must submit to Tarion to request that inspection results be exempted from licensing decisions; 	
<ul style="list-style-type: none"> • verify with homeowners any allegations against them by builders in all cases before approving the exemption of an inspection from a licensing decision; 	
<ul style="list-style-type: none"> • review and update current policies to provide more guidance to inspectors for making decisions on exemptions, and require that they document their decision; and 	
<ul style="list-style-type: none"> • publicly report the number of times each year that approval was given to exempt inspection results from licensing decisions. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has reviewed and updated the process to specify required evidence from builders, verify allegations with homeowners and provide more guidance to and require documentation from Tarion staff. • Tarion has trained staff on the new process and it is now implemented. • Tarion now publicly reports the number of times each year that approval was given to exempt inspection results from licensing decisions. 	

11. Procedures for Future Licences	Completed
<p>Recommendation:</p>	
<p>To strengthen the builder licensing program of Tarion Warranty Corporation, we recommend that Tarion revise its procedures to consider all data about a builder’s past building-quality and warranty performance when deciding whether to grant a future licence.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has revised its processes to ensure that all of the relevant claims history (relating to building quality and warranty performance findings) are considered when underwriting a builder’s license and granting a license. 	

12. Financial Resources	Completed
<p>Recommendation:</p> <p>To confirm that licensed builders have access to the financial resources necessary to complete proposed projects and cover the potential costs of their warranty obligations, we recommend Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • conduct a review to identify the best available external evidence that builders should provide when applying for a licence to establish that they have the financial means to complete proposed projects and honour their warranty obligations; 	
<ul style="list-style-type: none"> • review all reasons leading to the cancellation of construction projects and factor these reasons into future licensing decisions; and 	
<ul style="list-style-type: none"> • always collect and review the required external evidence from builders before making a licensing decision. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has conducted a review to determine the most relevant external evidence that builders should provide to Tarion as well as the reasons leading to the cancellation of construction projects. • Tarion has developed and implemented a new process to collect and review this evidence before making a licensing decision. 	

13. Protections for Consumers Purchasing Pre-Construction Homes (Tarion)	Completed
<p>Recommendation: To better protect consumers from purchasing pre-construction homes that may later be cancelled and/or delayed by legal restrictions on construction land, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • undertake a study to identify the types of construction project that would require a review of land title; 	
<ul style="list-style-type: none"> • either obtain from the builder a title search for those high-risk proposed construction projects and review it or require the builder to provide a third-party certification of this information; and 	
<ul style="list-style-type: none"> • establish a process to disclose publicly any restrictions found during the review that could delay or cancel the construction project. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has conducted an analysis on the types of construction projects that would require a review of land title. • Tarion sought public input on requirements for title searches and public disclosure restrictions that could delay or cancel construction projects. • Tarion has adopted a targeted/risk based approach for applying disclosure requirements; ranging from broad disclosure applicable to all registrants to specific disclosure for registrants deemed higher risk. • Tarion has made the necessary changes to require public disclosure of restrictions and provide Tarion with information on high-risk condominium construction projects. 	

15. Investigation of Homeowner Complaints Against Builders	Completed
<p>Recommendation: To ensure homeowners' complaints against builders are properly investigated, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • establish and release publicly a builder code of conduct that clearly defines actions and behaviours by builders that would constitute dishonest conduct and/or lack of ethics and integrity; 	The HCRA to address
<ul style="list-style-type: none"> • establish clear consequences for builders who breach the code of conduct; 	The HCRA to address
<ul style="list-style-type: none"> • commit sufficient staff resources to initiate and complete investigations into all home-owners' complaints against builders on a timely basis; and 	
<ul style="list-style-type: none"> • consider relevant information in re-licensing decisions for builder code-of-conduct violations. 	The HCRA to address
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has added additional resources to initiate and complete investigations on a timely basis and has eliminated the backlog identified by the Auditor General. 	

16. Ontario Building Code Violations	Completed
<p>Recommendation: To strengthen the builder-licensing process to protect homebuyers so that new homes are constructed in accordance with the Ontario Building Code, and to minimize warranty issues related to the Code, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • establish clear and specific criteria to help determine when a builder’s licence should be restricted or revoked for Code violations; and 	
<ul style="list-style-type: none"> • implement a risk-based inspection process to inspect homes for compliance with the Code during construction. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has implemented a process for when a builder’s licence should be restricted or revoked for Code violations. • Tarion conducted a pilot program for risk-based inspections of relevant builders, and sought public input on an ongoing risk-based inspection process for relevant builders. • Based on the results from the pilot and public feedback, Tarion has implemented a permanent risk-based inspection process. 	
17. Reporting to Municipalities	Completed
<p>Recommendation:</p>	
<p>To help municipalities plan their inspections and improve builders’ compliance with the Ontario Building Code, we recommend that Tarion Warranty Corporation report on a timely basis to municipalities all significant instances of builder non-compliance with the Code that it identifies.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has established a municipal working group with representatives from the Ontario Building Officials’ Association and Large Municipalities Chief Building Officials to seek input on establishing a process for Tarion to provide Ontario Building Code violation information to municipalities. • In spring 2021, Tarion sought public input on the proposed approach. • In Fall 2021, Tarion launched the process and has begun reporting this information to municipalities. 	

19. Cost of Warranty Obligations	Completed
<p>Recommendation:</p> <p>To hold builders accountable for the cost of warranty obligations that they do not honour, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • update its security deposit policies and adjust its thresholds for the deposits to more closely align with its risk exposure; 	
<ul style="list-style-type: none"> • set collection targets and provide sufficient resources to improve its collections results from builders and their guarantors; and 	
<ul style="list-style-type: none"> • publicly report on its collection efforts each year. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Over the course of 2016 to 2019, Tarion sought public input on its risk assessment process to more closely align with risk exposure, as well as the public builder bulletin policy (Builder Bulletin 28). • Based on the public feedback, Tarion has revised its risk assessment process and policy to more closely align with risk exposure. • Tarion has published the new risk exposure documents, replacing the existing Builder Bulletin 28. • Tarion has implemented the new collections strategy, and will publicly report collection efforts annually. 	

20. Ontario Builder Directory	Completed
<p>Recommendation:</p> <p>To help homebuyers make more informed choices when selecting a builder, we recommend that Tarion Warranty Corporation add the following information about each licensed builder, all in clear and easy-to-understand language, to the Ontario Builder Directory:</p>	
<ul style="list-style-type: none"> • all results of Tarion investigations that found the builder’s behaviour lacked honesty and integrity; 	<p>The HCRA to address</p>
<ul style="list-style-type: none"> • past convictions for illegal building activities; 	
<ul style="list-style-type: none"> • the number and percentage of homes with major structural defects that a builder constructed each year; 	
<ul style="list-style-type: none"> • the amount of money a builder owes to Tarion that remains unpaid; 	
<ul style="list-style-type: none"> • the number of defects under warranty that a builder refused to repair; and 	
<ul style="list-style-type: none"> • the number of defects the builder refused to repair that were due to the builder’s non-compliance with the Ontario Building Code. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has added past convictions to the Ontario Builder Directory. • Tarion sought public input on additional information that should be posted on the Ontario Builder Directory. • Tarion has updated the Ontario Builder Directory with this new information. 	

23. Illegal Building Investigations	Completed
<p>Recommendation: So that investigations into illegal building activity are completed on a timely basis, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • procure a case-management system to increase staff efficiency on investigations; and 	The HCRA to address
<ul style="list-style-type: none"> • commit the necessary staff resources to eliminate the backlog of investigations. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has added necessary resources to eliminate the backlog of investigations identified by the Auditor General. 	

24. Issues Raised by Ombudsperson’s Office	Completed
<p>Recommendation: To resolve issues identified by the Ombudsperson’s Office of Tarion Warranty Corporation, we recommend that Tarion work directly with the Ombudsperson’s Office to:</p>	
<ul style="list-style-type: none"> • fully resolve all issues raised in the Ombudsperson’s public reports since 2008; and 	
<ul style="list-style-type: none"> • post the results of this review on Tarion’s website. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • The New Home Ombuds has independently reviewed all 38 of the recommendations for systemic improvement they have made since 2008 and was satisfied with Tarion’s implementation of 25 of the recommendations with only 13 needing further action. • Tarion developed a plan and addressed all of these issues. • Tarion has published a final update on these items on Tarion.com. In addition, the New Home Ombuds posted her own assessment of Tarion’s progress on her office’s website. 	

27. Ontario Building Code Certification	Completed
<p>Recommendation:</p> <p>So that Tarion Warranty Corporation staff who deal with the public are qualified to perform home inspections and correctly answer questions regarding possible violations of the Ontario Building Code, we recommend that Tarion require such staff to obtain the Ontario Building Code certification.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has implemented a training program for relevant staff to obtain the Ontario Building Code certification. • Warranty assessments dealing with Building Code violation claims will be reviewed by staff with the relevant qualifications or by external experts as needed. 	
28. Accurate Information in a Timely Manner	Completed
<p>Recommendation:</p> <p>To provide homeowners and builders with accurate information in a timely manner, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • commit the necessary staff resources to ensure it meets its internal targets for answering calls within specified times; 	
<ul style="list-style-type: none"> • periodically review recorded calls to ensure callers are given accurate and helpful information; and 	
<ul style="list-style-type: none"> • establish a clear customer-service standard for call-centre staff that focuses on providing more helpful information for homeowners to better navigate the dispute-resolution process and identify those who may need further assistance. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has added staff to ensure customer service targets are met. • Tarion is regularly reviewing calls for quality assurance. • Tarion has developed clear service standards for call centre staff to address this recommendation. • Tarion has finalized and implemented the service standards. 	

29. Ombudsperson's Office Independence	Completed
<p>Recommendation: To establish and maintain the internal Ombudsperson's Office's formal independence from senior management of Tarion Warranty Corporation, we recommend that:</p>	
<ul style="list-style-type: none"> the Ombudsperson's Office report directly to Tarion's Board of Directors (Board) on all operational matters, including budget and salary approvals; 	
<ul style="list-style-type: none"> the Board review the performance of the Ombudsperson's Office; and 	
<ul style="list-style-type: none"> Tarion management abstain from any role or involvement in evaluating or reviewing the performance of any employee of the Ombudsperson's Office. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> The Ombudsperson's Office reports directly to the Board, including the review and approval of budget and proposed salary changes. The Ombudsperson's Office now submits their self review to the Board, who will have final edit and approval. Tarion management is not involved in the evaluation or review of the performance of any part of the Ombudsperson's Office. 	

30. Compensation Structure	Completed
<p>Recommendation: To better align the compensation structures of Tarion Warranty Corporation with the intent of the <i>Ontario New Home Warranties Plan Act</i>, we recommend that Tarion:</p>	
<ul style="list-style-type: none"> review and revise the key performance indicators it uses in the corporate performance scorecard to reflect its mandate of regulating builders and assisting homeowners with warranty disputes; and 	
<ul style="list-style-type: none"> undertake a review to assess the current bonus pay method to determine whether it is consistent with public-sector practices, and adjust it accordingly. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> Tarion provides public disclosure of executive compensation. Tarion has revised its key performance indicators and removed any element which could be seen to be impacted by expenses or claims. Tarion has adopted key performance indicators which reflect its mandate to assist homeowners with warranty disputes and to regulate builders. Tarion published its key performance indicators. An independent, third-party human resource agency reviewed comparable organizations including the public sector with respect to executive compensation including bonus pay methods. Accordingly, the bonus pay scales were adjusted effective January 2020. 	

* OSFI is an independent agency of the Government of Canada that supervises and regulates federally registered banks and insurers, trust and loan companies, as well as private pension plans subject to federal oversight.

31. Annual Review of Guarantee Fund	Completed
<p>Recommendation:</p> <p>To confirm the sufficiency of assets in the Guarantee Fund to cover any future catastrophic construction defects, we recommend that Tarion Warranty Corporation conduct a review of the Fund on an annual basis.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has independent, third-party financial analysts conduct a review of its Guarantee Fund annually, to ensure compliance with the guidelines set out by the Office of the Superintendent of financial Institutions (OSFI)*. 	

32. Annual Public Meetings	Completed
<p>Recommendation:</p> <p>To improve transparency of and public access to Tarion Warranty Corporation, we recommend that Tarion hold annual open meetings where members of the public can physically attend to ask questions and voice concerns.</p>	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • 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 has now signed a new Administrative Agreement with the Ministry of Government and Consumer Services 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. 	

5. Unfinished Houses	Partially Completed
<p>Recommendation: To better protect homeowners who take occupancy of an unfinished house so that they retain their full and reasonable warranty rights, we recommend that Tarion Warranty Corporation address the issue of warranty coverage beginning before a house is finished by:</p>	
<ul style="list-style-type: none"> redefining “finished house” for the purposes of homeowners’ warranty rights and coverage period so that the one-year warranty period commences only once the home meets this new definition of a finished house; or 	No longer applicable
<ul style="list-style-type: none"> developing a warranty that will protect homebuyers for unfinished items in their homes once the home has met the minimum occupancy standard, and ensuring that the one-year warranty coverage begins only after the items are finished; or 	In Progress
<ul style="list-style-type: none"> working with the relevant ministries to expand what must be completed to meet the minimum occupancy requirement in the Ontario Building Code so that new home buyers are appropriately protected by their warranty rights. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> Tarion has advised the Ministry of Government and Consumer Services and the Ministry of Municipal Affairs and Housing that it would support the Government of Ontario to consider improvements to the minimum occupancy requirement in the Ontario Building Code. Tarion has developed options for a warranty that will protect homebuyers for unfinished items in their homes. In spring 2021, Tarion sought public input on the options for a warranty that will protect homebuyers for unfinished items in their homes. <p>Steps to be Taken:</p> <ul style="list-style-type: none"> In early 2022, Tarion will work with the Ministry to support implementation of this new warranty. Tarion is working to implement the new warranty to address this recommendation in 2022. <p>Anticipated full implementation date: December 2022</p>	

6. Homeowners' Assistance with Warranty Disputes

Partially
Completed

Recommendation:

To improve homeowners' ability to seek assistance from Tarion Warranty Corporation when they have a warranty dispute with their builder, we recommend that Tarion:

- remove its two 30-day deadlines and allow homeowners to submit requests for assistance at any time during the first year of ownership;
- eliminate the 30-day deadline to request a home inspection;
- permit homeowners to update their listing of unresolved defects after submitting the initial listing; and
- reduce the amount of time provided to builders to resolve defects before stepping in to help homeowners.

In Progress

In Progress



In Progress

Steps Taken:

- Tarion has already received public feedback on interim measures to help improve homeowners' ability to seek assistance from Tarion. Tarion hosted 8 roundtables with homebuyers and 7 roundtables with builders, as well as received over 100 written submissions from a range of stakeholders.
- On September 14, 2020, Tarion implemented interim changes to the Customer Service Standard based on this feedback, including:
 - Increasing homeowners' ability to access help from Tarion by adding 10-day grace periods to the following periods when homeowners can submit their claims:
 - The initial 30-day claim submission period;
 - The initial 30-day request for conciliation period;
 - The year-end claim submission period with written evidence the homeowner reported items to their builder during the first-year warranty period;
 - The year-end request for conciliation period.
 - Allowing homeowners to add additional items to forms during the 30-day and year-end claim submission periods.
 - Increasing the types of claims that can be addressed anytime in the first year by expanding the definition of emergency claims to include any water penetration claims.
- For the longer-term changes, Tarion sought additional public input on additional changes to the Customer Service Standard to address the full recommendation.
 - In spring 2021, Tarion sought public input on two options to address this recommendation.
 - Currently, Tarion is seeking public feedback on the details of the changes to the Customer Service Standard for implementation in 2022.

Steps to be Taken:

- Further changes to builder repair periods will be consulted on in 2022.
- In early 2022, Tarion will develop regulations to support the changes to the Customer Service Standard to address this recommendation.
- Tarion will implement the necessary system and regulatory changes to the Customer Service Standard to address this recommendation in 2022, with changes to repair timelines possibly in 2023 due to COVID-19.

Anticipated full implementation date: December 2023

7. Timely Resolution of Homeowners' Disputes With their Builders	Partially Completed
<p>Recommendation: To resolve homeowners' disputes with their builders in a timely manner, we recommend that Tarion Warranty Corporation:</p>	
<ul style="list-style-type: none"> • review its regulatory timelines for delivery of decisions to ensure they are reasonable; 	In Progress
<ul style="list-style-type: none"> • establish a process to ensure its decisions regarding homeowners and builders are made within the required time; and 	In Progress
<ul style="list-style-type: none"> • promptly notify homeowners and builders in writing of the reasons for a delay if Tarion is unable to meet its own deadline. 	
<p>Steps Taken:</p> <ul style="list-style-type: none"> • Tarion has begun an analysis of the regulatory timelines. • Tarion sought public input for necessary regulatory changes to address the first element of this recommendation. • Tarion has implemented a process to notify homeowners and builders if it is unable to meet the expected deadlines for decisions. <p>Steps to be Taken:</p> <ul style="list-style-type: none"> • As part of the development of the regulation changes in early 2022 to support the new Customer Service Standard, Tarion will make the necessary system and regulatory changes to these timelines, which are part of the improvements to the Customer Service Standard being implemented by December 2022. • Once in place, Tarion will conduct training for staff and conduct compliance audits of the new processes. <p>Anticipated full implementation date: December 2022</p>	