

Glossary - Tarion Application Process for Contract and Freehold Homes

Below are definitions of the key terms used in this document (not in alphabetical order). These defined terms are generally indicated throughout the document with capitalized letters.

“Builder”	A person or entity who undertakes the performance of all the work and supply of all the materials necessary to construct a completed home.
“Vendor”	<p>A person or entity who, on their own behalf, Sells a home not previously occupied to an owner. The Vendor is responsible for providing the owner with statutory warranty coverage.</p> <p>In some cases the Vendor and Builder may be the same person or entity. In other cases the Vendor and Builder may be separate persons or entities working together.</p>
“Interested Persons”	An individual, corporation, or other entity who may exercise control over the operations of a licensed Vendor or Builder, or who has a beneficial interest in the operations of the licensee (in terms of beneficial ownership, or that they stand to benefit from the profits of the licensee). The Interested Person’s influence may be the result of direct or indirect authority and/or financial control over the business. Examples include but are not limited to directors, officers, principals, or partners of a licensee.
“Home Construction Regulatory Authority (HCRA)”	The administrative authority responsible for licensing Vendors and Builders under the <i>New Home Construction Licensing Act</i> .
“Tarion”	The administrative authority responsible for: authorizing the specific construction plans of licensed Vendors and Builders; and administering the statutory warranty program under the <i>Ontario New Home Warranties Plan Act</i> .
“Sell”	Includes entering into an agreement to Sell.
“Commence Construction”	The commencement of construction of foundation components or elements (such as footings, rafts or piles) for the home.
“Qualification for Enrolment (QFE) Confirmation”	The written authorization that a Vendor must obtain from Tarion for <u>each</u> home before the Vendor is permitted to offer or agree to Sell the home.
“Enrolment Confirmation”	The written authorization that a Builder must obtain from Tarion for <u>each</u> home before the Builder is permitted to Commence Construction of the home.

“Application for QFE and/or Enrolment”	<p>The application that a licensed Vendor submits to Tarion outlining information about their proposed sales and construction plans. Tarion generally responds to the application with a Notice of Proposal (NOP) of Conditions, which outlines Terms and Conditions that must be satisfied by the applicant to obtain QFE Confirmation and Enrolment Confirmation.</p> <p>Note that where a Vendor is working in partnership with a separate Builder to Sell/build homes, the Vendor is responsible for submitting the application.</p>
“Risk Assessment”	<p>A profile that Tarion develops for a Vendor after reviewing their Application for QFE and/or Enrolment. The profile is used for underwriting purposes to determine whether, and on which Terms and Conditions, a Vendor/Builder’s proposed sales and construction plans should be authorized. A Risk Assessment considers factors relating to the Vendor/Builder and their Interested Persons, including their past and present conduct and financial status (eg. financial equity, experience, and Tarion history). The security-related aspects of the Risk Assessment are outlined in Registrar Bulletin 11-FH.</p>
“Terms and Conditions”	<p>Requirements that a Vendor and/or Builder must satisfy in order to obtain, and continue to maintain, QFE and Enrolment Confirmation from Tarion.</p> <p>Some Terms and Conditions are legislated under the <i>Ontario New Home Warranties Plan Act</i> and apply equally to all Vendors and Builders.</p> <p>Some Terms and Conditions are proposed by Tarion on a case-by-case basis for a given Vendor or Builder.</p>
“Notice of Proposal (NOP) of Conditions	<p>The written document that Tarion sends a Vendor outlining the proposed Terms and Conditions that they must satisfy to proceed with their construction and sales plans.</p>
“BuilderLink”	<p>Tarion’s online portal where licensed Vendors can submit an Application for QFE and/or Enrolment.</p>
“Vendor Agreement” and “Builder Agreement”	<p>A standard agreement that all Vendors and Builders must enter into with Tarion as part of the application process. Entering these agreements is a legislated requirement.</p>
“Registrar Bulletins”	<p>Policies published by Tarion containing information and rules about various matters related to the statutory warranty program. Compliance with these Bulletins is a legislated requirement, and a requirement under the Vendor Agreement and Builder Agreement. The Registrar Bulletins also form part of the Terms and Conditions outlined within the Notice of Proposal (NOP) of Conditions.</p> <p>See Schedule “A” to this Bulletin for a chart explaining which Bulletins apply to your situation. You may access all of the Registrar Bulletin on Tarion’s website.</p>
“Freehold Home”	<p>A single-family home built under Part 9 of the <i>Ontario Building Code</i> that is not tied to a vacant land Condominium or a common elements Condominium corporation, where the Vendor owns the land, constructs the home and Sells the home via a freehold Agreement of Purchase and Sale.</p>

- “Contract Home”** A single-family home built under Part 9 of the *Ontario Building Code* that is not tied to a Condominium (vacant land or a common elements corporation), where the purchaser owns the land, and contracts with a Vendor/Builder to construct the home under a freehold contract.
- “Condominium”** Sales and construction plans that, generally speaking, involve the *Condominium Act* or a Condominium corporation. Subtypes include: high-rise Condominiums with Part 3 *Ontario Building Code* requirements; low-rise Condominiums without any Part 3 *Ontario Building Code* requirements; vacant land Condominiums, and common element / parcel of tied land Condominiums.
- “Project”** In the freehold context, “Project” is a term that Tarion may use in discussions with you to refer to a grouping of homes that you seek to Sell and build.
- “Tarion Application Process”** The process whereby a Vendor applies to Tarion to Sell a home (Qualification for Enrolment (QFE) Confirmation), or to build a home (Enrolment Confirmation).