

Q&A: Seeking Input on Topics from the Auditor General of Ontario's Report on Tarion

On October 30, 2019, the Auditor General of Ontario released the [Special Audit of Tarion Warranty Corporation](#). Tarion is committed to building a more transparent, fair and accountable new home warranty and protection program and has made it a priority to implement the recommendations from the Auditor General's report in a timely manner.

Tarion is seeking input from stakeholders and the public on several improvements and your feedback will help to inform Tarion's path forward.

This Q&A has been developed to assist in providing more information.

1. What consumer protection initiatives is Tarion seeking public input on?
2. When would these proposed improvements come into effect?
3. Once in force, will the proposed improvements apply to all homes?
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7. Do I need to comment on all proposed improvements for my feedback to be considered?
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9. What is the status of the interim measures to the Customer Service Standard?
10. What should I do if I am interested in participating in mediation with Tarion now?
11. Why is Tarion considering increasing certain caps and providing compensation to homeowners in instances where they have to relocate while repairs are underway which arose from a warranted item?
12. Will Tarion be seeking public input on additional Auditor General recommendations?
13. Why is Tarion seeking input on these topics when Emergency Orders are in place and warranty timelines are currently suspended?

1. What consumer protection initiatives is Tarion seeking public input on?

The Auditor General of Ontario's report included 32 recommendations to enhance consumer protection for buyers and owners of new homes. A number of these recommendations would benefit from thoughtful feedback from homeowners and stakeholders.

At this time, Tarion is seeking input and feedback from consumers and stakeholders on the following recommendations:

- Changing the Customer Service Standard to strengthen protections for homeowners and improve their ability to seek assistance from Tarion;
- Establishing new rules for the timely Tarion resolution of homeowners' disputes with builders;
- Establishing new rules and processes to ensure homeowners understand the importance of the Pre-Delivery Inspection;
- Clarifying information on new home warranties and homeowners' rights in the Homeowner Information Package;
- Establishing a timely and cost-effective Tarion mediation process for homeowners;
- Requiring builders to provide Tarion with title information for high-risk proposed condominium construction projects and to disclose restrictions that could cause delay or cancellation of the project;
- Implementing a risk-based inspection process to proactively identify potential deficiencies during construction, including those related to the Ontario Building Code during construction; and
- Improving the Ontario Builder Directory to include additional information about builders.

Tarion is also seeking input on the warranty compensation caps on claims related to environmentally harmful substances or hazards, septic systems and condominium common elements and providing compensation to homeowners in instances where they have to relocate while repairs are underway which arose from a warranted item - new initiatives to benefit homeowners.

As Tarion works to implement the recommendations, we are committed to continuing to engage the public on key topics.

2. When would these proposed improvements come into effect?

The proposed improvements are anticipated to come into effect this year, with the exception of the enhancements to the Customer Service Standard, rules for the timely Tarion resolution of homeowners' disputes with their builders and compensation to homeowners where they have to relocate during repairs arising from a warranted item which are proposed to be in place in 2021. Tarion is committed to keeping the public informed on these important changes. We will continue to communicate with key stakeholders, including homeowners and builders, on the timing of these changes.

For more information on specific changes, please see [Tarion's Implementation Plan](#) to address the Auditor General of Ontario's recommendations.

3. Once in force, will the proposed improvements apply to all homes?

We will consider all homeowner and stakeholder feedback as we develop the transition rules for these improvements.

4. How is Tarion collecting input from consumers?

Tarion is collecting input from stakeholders through online roundtables with homeowners, meetings with consumer groups, and submissions from any member of the public to the Ontario Regulatory Registry or to submissions@Tarion.com.

Tarion welcomes feedback and encourages anyone interested to provide comments as part of the consultation process.

5. How will these improvements enhance consumer protection?

These changes will help Tarion improve our customer service timeframes, modernize our processes to better serve the needs of homeowners, and be a more responsive and transparent organization.

For example:

- Helping homeowners understand the importance of the Pre-Delivery Inspection and providing plain language warranty information about their rights and responsibilities will help homeowners be more informed.
- Establishing a timely and cost-effective Tarion mediation process to resolve warranty disputes could save homeowners time, money and stress of submitting a claim through the Licence Appeal Tribunal process.
- Additional disclosure on the Ontario Builder Directory will benefit consumers as they will have access to information to help them make more informed purchasing decisions, and requiring disclosure about high-risk condominium construction projects will encourage better building practices.
- Enhancements to the Customer Service Standard will improve homeowners' ability to seek assistance from Tarion, which may result in additional items being eligible for coverage.
- Increasing the compensation caps of certain types of warranty claims will benefit consumers as the full claims would now be eligible under the warranty.

- Providing compensation to homeowners in instances where they have to relocate while repairs are underway which arose from a warranted item.

6. Will enrolment fees be increased as a result of the proposed improvements?

No, there is no proposed increase of enrolment fees associated with the proposed improvements.

7. Do I need to comment on all proposed improvements for my feedback to be considered?

Tarion recognizes that not all of the topics will be relevant to every individual or organization. Please provide comments on the topics that are relevant.

While this consultation focusses on specific recommendations and questions, if you have additional comments you wish to provide us relating to any matter raised in the Auditor General of Ontario's report you can also send them to submissions@tarion.com. Please title these with the heading "Additional Submissions".

8. How are the long-term improvements to the Customer Service Standard different from the interim measures Tarion sought public input on earlier this year?

Earlier this year, Tarion sought public and stakeholder input on interim measures to improve homeowners' ability to seek assistance from Tarion. In light of the COVID-19 outbreak and the Government of Ontario's Emergency Order which suspended statutory deadlines, the timing of implementation will be reassessed.

At this time, Tarion is seeking input on long-term regulatory changes to the Customer Service Standard (CSS), including reducing the builder repair period, which was not part of the interim measures. Over the long-term, Tarion is considering more changes to the CSS to address the recommendation #6 of the Auditor General of Ontario to improve our customer service timeframes.

9. What is the status of the interim measures to the Customer Service Standard?

In light of the COVID-19 outbreak and the Government of Ontario's Emergency Order, the implementation of interim measures to the Customer Service Standard will be reassessed. Any updates on the interim measures will be communicated to both homeowners and builders in advance of their implementation.

At this time, all warranty claim submission deadlines (for 30-Day, Year-End, Second-Year, Major Structural Defect, delayed closing, financial loss and deposit claims) are temporarily suspended. Homeowners should still continue to submit forms to their builder and to Tarion but are not required to meet the normal statutory deadlines. Forms will not be rejected for being late.

10. What should I do if I am interested in participating in mediation with Tarion now?

At this time, Tarion is offering mediations by an independent third party in certain circumstances, after a warranty assessment is made. If you are interested in mediation, please reach out to customerservice@tarion.com.

11. Why is Tarion considering increasing certain caps and providing compensation to homeowners in instances where they have to relocate while repairs are underway which arose from a warranted item?

Tarion has heard directly from homeowners that certain caps on warranty compensation and compensation to homeowners for relocation costs should be improved. We have identified these as ways to provide enhanced consumer protection and are seeking input on:

- Increasing the caps on compensation for claims relating to environmentally harmful substances or hazards, septic systems and condominium common elements
- Providing compensation to homeowners where they have to relocate during repairs arising from a warranted item.

Seeking public input on these areas are examples of how we are working to address issues raised directly by homeowners.

12. Will Tarion seek public input on additional Auditor General recommendations?

No additional regulatory consultations are planned at this time. However, Tarion will seek public input on recommendations that will be addressed in 2021. As Tarion works to implement the recommendations, we are committed to continuing to engage the public for input.

13. Why is Tarion seeking input on these topics when Emergency Orders are in place and warranty timelines are currently suspended?

Tarion is committed to building a more transparent, fair and accountable new home warranty and protection program and has made it a priority to implement the recommendations from the Auditor General's report. Warranty timelines are currently suspended under the Government of Ontario's Emergency Order to ensure that no homeowner loses their warranty rights as a result of the effects of the COVID-19 outbreak. However, it is still necessary for Tarion move forward with the important work associated with the Auditor General's report. We are committed to carrying out this work and gathering feedback from the public in a timely and responsible manner.