During the last three decades there has been a relentless evolution of the law in the area of consumer protection. The law governing real estate sales and house construction began as “let the buyer beware.” To address the gross unfairness and harshness of “let the buyer beware” and recognize the trend toward protection of the consumer, the Home Builders Association undertook the complicated task of defining what the community standard is for new home construction. The result of this undertaking has been the development of the Limited Warranty and the Industry Standards Manual, to be used by its members in connection with new home sales in this area of the country. Both the Limited Warranty and the Industry Standards Manual are subject to constant review and revision by the Home Builders Association to recognize changes in construction techniques, products and design and the applicable laws to new home construction.

The Limited Warranty is an agreement incident to the contract to purchase a newly constructed residence between you and the home builder of that dwelling. Although it is a condition of membership in the Home Builders Association that each member subscribe to and abide by the Industry Standards Manual, which is the very heart of the Limited Warranty program, an individual home builder is not required to offer the Limited Warranty. The performance of and compliance with the Limited Warranty is solely the responsibility of the individual home builder offering the Limited Warranty to the home buyer. The Home Builders Association established the standards of new home construction and offered to its builders a Limited Warranty form to be used in connection with new home sales. It does not and cannot legally guarantee the performance of the Limited Warranty by a home builder member. Only the home builder with whom you deal is liable for that Limited Warranty.

As its name implies, the Limited Warranty does have limitations. It is designed to cover the problems most likely to occur when constructing a new dwelling where no other warranty is applicable. Manufacturers of certain appliances and equipment used in the construction of a new home may issue their own warranties, which are either made to the home buyer or are assigned through the Limited Warranty. The Limited Warranty is good for a period of one year after the closing and is not governed by when a contract is signed.

The Industry Standards Manual sets forth the quality of materials and workmanship which local home builders adhere to. It is designed to help the home buyer determine the validity of any potential complaint relative to defective materials and/or workmanship. As such, it becomes the interpretative manual for the Limited Warranty. It is a comprehensive statement of the standards to which a new home should be built.

If a home buyer feels that there is a defect in workmanship or materials within the Limited Warranty period, they are advised to address their claim or request to the builder first. If satisfaction is not obtained from the builder, a complaint can be registered with the Home Builders Association.

When purchasing a new house it is good advice to follow this procedure. Ascertain whether the home builder is a member of the Home Builders Association. Remember, there is no requirement that a home builder be an Association member. If your home builder is a member, you will know that he subscribes to and has agreed to abide by the Industry Standards. Then ascertain if the home builder offers the Limited Warranty recommended by the Home Builders Association. Remember, only members may legally offer this Limited Warranty, as it is a copyrighted document.