

New Home Construction Contract Regulations

Any individual who wishes to construct or contract the building of new homes in the state of Connecticut must register with the State Department of Consumer Protection. A certificate of registration as a new home construction contractor does not represent in any manner that the Connecticut Department of Consumer Protection endorses the quality of the contractor's new home construction work or the contractor's competency to engage in new home construction.

Accordingly, you are advised to:

- 1) Request from the contractor a list of consumers of the last twelve new homes built to completion by the contractor during the previous 24 months, or if the contractor has not constructed at least twelve new homes to completion during the prior 24 months, then a list of all consumers for whom the contractor has constructed a new home to completion during the previous 24 months. A new home construction contractor shall include in every contract with a consumer a provision advising the consumer that the consumer may be contacted by such contractor's prospective customers concerning the quality and timeliness of such contractor's new home construction work. The consumer may advise the contractor in writing upon execution of the contract that they do not wish to be contacted.
- 2) Contact several individuals on the list to discuss the quality and timeliness of the contractor's new home construction work, and
- 3) contact the Department of Consumer Protection to verify the registration information presented by the contractor and to ascertain the contractor's complaint history with the department.

In addition, you are advised to discuss with the new home construction contractor:

- 1) Whether the contractor has a customer service policy and if so, the identity of the person designated to assist you in resolving any complaint about the contractor's work;
- 2) Whether the contractor will hold you harmless for work performed by any contractor hired by the contractor; and
- 3) The installation of an automatic fire extinguishing system.

This is not an exhaustive list of the inquiries you should make before contracting with a new home construction contractor. Additional information to assist you in your selection of a new home contractor may be obtained by contacting the Connecticut Department of Consumer Protection.

Information provided by:

Builders Association of Eastern Connecticut

860-859-3518

www.baec.net

The New Home Construction Guaranty Fund

The Department of Consumer Protection administers the New Home Construction Guaranty fund to reimburse consumers who are unable to collect for loss from a registered new homebuilder. A homeowner must already have a court judgment or restitution order before applying for reimbursement. If the registered New Homebuilder has no assets or money in his/her name, or cannot be located, the consumer may apply for reimbursement from the New Home Construction Guaranty Fund.

Homeowners may be eligible to receive up to \$30,000, provided the following criteria are met:

- o The homeowner must be awarded a court judgment and the registered new homebuilder must be found "judgment proof" (having no money or assets in his/her name, or he/she can not be located).
- o The homeowner must retain a sheriff to serve a "writ of execution." The homeowner is responsible for providing proof it was served and that there was no response.
- o The new homebuilder must have registered with the Department of Consumer Protection within two years of signing the contract with the consumer for the new home construction.'
- o To access the fund, the consumer must apply in writing within two years of the date of the court judgment.