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HOW TO RESOLVE A CONSTRUCTION DEFECT WITH YOUR HOME BUILDER

*Did Your NPI Builder's Warranty Inspection
Reveal Defects in Your New Home?
Learn What To Do Next*

The typical home contains over 3,000 different components. While these parts should be assembled to your satisfaction, most homeowners don't realize that at least one of them suffers from a construction defect. Under a builder's warranty, most of the defects are covered by the builder for the first 12 months after the purchasing date. If you or your NPI inspector notes a deficiency, it is important that you immediately resolve the issue with your builder. Here's what you can do to sort out any disputes in order to effectively correct the situation.

Steps to Follow After Identifying a Defect

1. **Create a folder with all the important documents from your home purchase and anything that notes the defect(s).** Include photographs or video, copies of letters you send to organizations, inspector reports, responses from the builder or other parties, a log of all activity, reports from the Better Business Bureau (BBB), Office of the Attorney General (OAG), etc., and anything else that may be of importance.
2. **Identify the exact nature of the problem.** Describe it in detail, and send it to the builder. Your NPI inspector will provide you with a written report of any findings to assist the builder in locating and fixing any problems. Many builders require complaints to be in writing. When writing your letter:
 - Type it if possible
 - Include your name, address, and home and work phone numbers
 - Keep your letter brief and to the point, focusing on all relevant details
 - State exactly what you want done and how soon you expect it
 - Include copies of all relevant documents regarding the problems (keep the originals for your own records)
 - Make a copy of the letter for your files
3. **Before you write your letter, familiarize yourself with your warranty coverage.** Follow the procedure for making claims as stated in the written warranty.
4. **Always go directly to the builder, the home warranty company, or the manufacturers, as applicable, with your complaints.** Do not send letters to lawyers, government agencies, home builders associations, or other third parties before you have given your builder a chance to correct the problem.

Give the builder sufficient time to respond to you. Work with the builder in allowing them to inspect and repair the defect. In the event your builder stops being cooperative or they are unresponsive, then move on to third-party assistance.

Third-Party Assistance

Local Home Builders Association

If your builder is a member of your local HBA, then the association may have a system for reviewing and resolving construction complaints without going to court. While it's possible to reach an agreement, keep in mind that a builder's association does not have the legal authority to compel either side in a dispute to take certain action.

The Better Business Bureau (BBB)

The BBB (www.bbb.org) can provide useful information on the builder. Look up the builder in the "Find" search bar on the BBB homepage. There is also a link to file a complaint, which is forwarded to the company within two business days. If the builder does not respond within 14 days, then a second request will be made. The BBB will notify you when the company's response is received.

The Office of the Attorney General (OAG)

If the BBB does not produce results, then there is a consumer complaint process with your state Attorney General (www.naag.org). As with the BBB, the complaint will be reviewed and forwarded to the builder. If the builder responds, then the OAG will likely suggest consulting an attorney. It's important to remember that the OAG is not a personal lawyer, and can't give you direct legal advice.

Federal Trade Commission (FTC)

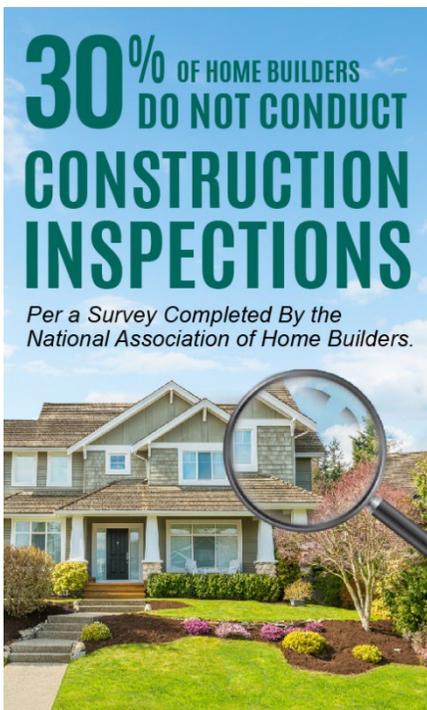
The FTC (www.ftc.gov) deals with issues that touch the economic life of every American. It is the only federal agency with both consumer protection and competition jurisdiction. Contact the FTC if you experience fraud, deception, or unfair business practices with your builder. Similar to the OAG, the FTC monitors for patterns of wrongdoing that can lead to investigations and prosecutions.

Legal Action

Taking legal action should be the absolute last step in the process. When looking for an attorney, make sure they have experience with the laws regulating home builders and know of the limitations and regulations of any state agency. The attorney must be a specialist in new-home construction defects. Usually, the complaint will be put in front of a court of arbitrators after months and sometimes years of trying to work out the problem with the builder.

Most builders are seeking customer referrals and repeat buyers. They want you to be satisfied. If a problem develops, remain calm and approach your builder in a reasonable manner with appropriate documentation. By following the procedures above, chances are good that you will be able to resolve the problem(s) within a reasonable timeline.

Reach out to your local inspector with any additional questions.



Are you still in need of an inspection before your builder's warranty expires?

Don't get stuck paying for repairs--schedule your inspection with your local NPI inspector.

Your expert NPI inspector is professionally trained to identify any issues that may have been overlooked at your closing inspection. During a builder's warranty inspection, we'll evaluate hundreds of your home's components, including roofing, siding, foundation, HVAC, plumbing, electrical, and more. You'll receive a detailed report on the condition of your property complete with photos and extensive description on all issues.

To find your local inspector, visit

www.npiweb.com