

Rights Guardian



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HOME ALLIANCE FOUNDED

Free Membership Gives a Voice for Home and Property Owners

The Colorado Homeowners Mobilization and Education (HOME) Alliance is a not-for-profit organization. We are dedicated to educating Colorado's citizens on issues directly affecting their legal and constitutional rights to enjoy and protect our homes and property.

HOME Alliance's efforts focus on educating our membership and then providing strategies and personal opportunities for our members to be part of a persuasive lobbying force. Our members are primarily focused on the local and statewide political arenas.

HOME monitors the political climate and is an important resource for elected officials to use when contemplating future legislative, and administrative policy changes.

We keep our members up-to-date on the issues and potential threats to their Rights. We accomplish this through analysis of national trends, education about local ordinances, state laws and proposed changes on the Local, State and National levels.

Educational initiatives include:

- The bi-monthly newsletter, *The Rights Guardian*, explains national trends and issues effecting Colorado.
- HOME Regional Seminars: Hosted four times a year, in different regions of the State. These public educational symposiums bring together public policy and legal experts, opinion leaders, elected officials, industry representatives, and media professionals to discuss the pressing issues affecting home and property ownership.

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YOUR VOICE CAN BE HEARD!

Go Ahead and Join us - It's always FREE! [Click to Join](#)

Welcome to the first addition of the *Rights Guardian*, the newsletter of the Colorado Home Owners Mobilization and Education (HOME) Alliance. Every other month HOME will be providing home and property owners with up to date, information, interesting articles and investigative reporting on the policy issues and political changes that effect your ability to fully enjoy and protect your property and/or home.

In this issue we provide a general overview of three challenges confronting Colorado's home and property owners. While independently each issue is concerning, when combined they paint a picture of corporate greed subjugating the individual rights and basic protections of the average citizen. In future issues we will explore these issues in greater depth and showcase how they directly impact the ability of every Colorado home and property owner.

We look forward to you joining us every other month as we continue to highlight the issues that affect our quality of life. Please submit comments and story ideas by clicking this link

[Contact Us Now](#)

Construction Defects - When your dream home becomes a nightmare

Heads they win - Tails you lose!

After years of saving for the down payment, you've finally bought the new home of your dreams. Everything seems perfect till you notice that the cement in the basement is cracking - or the porch is starting to sink and sag - or there is a noxious odor emanating from the crawl space - or.....

Construction Defects - they aren't as unusual as you might think. Whether it is shoddy workmanship, sub-standard materials or just the haste in which most new homebuilders build their product, tens of thousands of Coloradoans face this problem every year.

So when your dream house becomes your worst nightmare, what do you do? If your new home contract includes a Binding Mandatory Arbitration agreement, you have signed away your rights to use the American Justice system (see related article this issue).

If you haven't signed away your legal rights, your ability to hold the builder legally responsible for all your damages is still in doubt. With the passage of Colorado House Bill 1161 in 2002, the ability to hold homebuilders, contractors and all other construction professionals was severely limited. With HB1161, the damages are now capped and no longer does your individual circumstances and loss determine the liability for shoddy construction.

For commercial property owners HB1161 is even worse. While home owners are allowed some compensation for destruction to personal property - for non-residential property owners the contractor has no monetary obligation for the consequences of his shoddy work. For example, if the roof on your business collapses because of a construction defect, the contractor is legally responsible for repairing that roof. However, he has NO financial responsibility for the destroyed inventory or the lost business and revenue his mistake cost you!

HB1161 gave homebuilders, contractors and "construction professionals" legal rights that no other citizens of Colorado have - the right to not be held accountable for the true cost of their mistakes and poor workmanship.

"Construction Defects" is too complex to explain in one article - in the future we will be dedicating entire issues of the *Rights Guardian*

to the unfair advantage given to the homebuilders and the construction industry. Until then - **BUYER BEWARE!!**

Binding Mandatory Arbitration

Read the fine print - you may be signing over your legal rights.

One of the biggest legal issues facing all Americans is the use of Binding Mandatory Arbitration (BMA) clauses in consumer contracts. Without knowing it you may have already signed dozens of these clauses. They're everywhere: credit card agreements, health insurance contracts, bank loans, car contracts, rental clauses, babysitting clauses, nursing homes, house repairs and **NEW HOME** contracts.

Every time you sign a contract that has a Binding Mandatory Arbitration (BMA) clause you sign away your constitutional rights to use the American justice system to solve a disagreement, no matter how critical that disagreement.

What is Binding Mandatory Arbitration (BMA)?

When a corporation includes a BMA requirement in its contracts, it means your dispute must be decided by a "private" legal system. Because BMA clauses are "binding," you must abide by the decision of an arbitrator and have no right to appeal in the courts.

This private, for-profit system:

- Is a lawless system. The judges, called arbitrators, do not have to follow the law or even justify their decisions. Fraud is often an issue. ([Full story here](#)).
- Takes away your right to appeal a bad decision
- Normally costs much more than using the courts and the arbitrator is selected BY THE HOMEBUILDER.
- Prevents you from being part of most class action lawsuits
- Favors business rather than you



A partial list of Home Builders that require MBA as a condition to purchasing a new home:

- | | |
|---------------------|------------------|
| Beazer Homes | KB Homes |
| Brighton Homes | Legacy Homes |
| Casa Buuilders | Lenora Homes |
| Centex Homes | Newmark Homes |
| Choice Homes | Prestige Homes |
| Continental Homes | Pulte Homes |
| David Weekley Homes | Ryland Homes |
| DR Horton | US Homes |
| Emerald Homes | Village Builders |

Colorado’s worst new-home builders spend the least on warranty work.

Findings of industry magazine is cause for concern

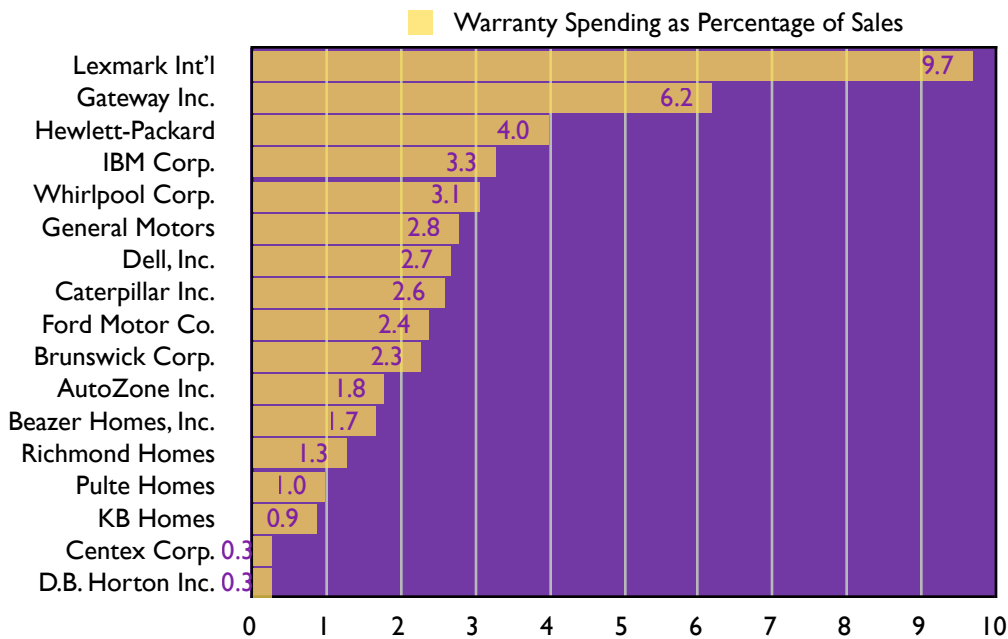
“Homebuilding Industry Warranty Spending is Extremely Low”. That is the conclusion of 2003 analysis by *Warranty Week*, a nationally respected industry newsletter that tracks warranty spending trends in US industry sectors. According to *Warranty Week*, some of Colorado’s biggest and worst homebuilders spend the least on warranty work, even when judged against their peers who under spent compared to other industry sectors.

At a time when home buyer complaints are at an all-time high, the amount spent by homebuilding industry-leaders on remedying construction defects in new homes lags behind virtually all other industry sectors. When buying a computer, car, washer or dryer, or even an office chair or the kitchen toaster, your warranty coverage is most-likely better than on your new home.

In the 2004 *J.D. Power and Associates*

New-Home Builder Customer Satisfaction Study for the Denver/Colorado Springs Area homebuilder ([Download the report](#)) D.R. Horton ranked at the bottom of the list with a score almost 50% below the industry average in the Denver area. Yet D.R. Horton also ranked at the bottom of *Warranty Week’s* list of Warranty spending in 2003 with only 0.3% of total sales being used to complete warranty work. Centex Homes, also below the industry average in satisfaction also spent just 0.3% of sales on warranty work.

Colorado’s largest new-home builder, Richmond American Homes was second to the bottom on the J.D. Power survey, Yet Richmond’s parent company, MDC Holdings, spent just 1.3 percent of sales on warranty work.



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- HOME Legislative Hotline: Monitors current and proposed legislative policy and its effect on our membership. As circumstances warrant, HOME will notify members about political issues and concerns.

As a member of HOME you will be: More aware of threats to your property rights; Better informed on the specifics of legislative and policy issues; and Given the opportunity to have YOUR voice heard by elected officials and policy leaders. Our members become active and effective leaders in the political process.

HOME creates opportunities for your voice to be heard on important issues. Whether testifying at a Legislative or City Council hearing, keeping our issues in front of news sources or influencing the opinions of friends and neighbors through solid grassroots organization, though you, HOME members take the battle of property owners rights directly to the public.

And it is all FREE. Now – and Always. Your voice, opinions and effort are always more important to us than your pocketbook. We will never sell your name or information to outside businesses, though we may showcase entities who’s manner of doing business is inline with the ethics and Rights we support. [Please Join Now](#)