

Important R-410A EPA Mandate Takes Effect January 1, 2010

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Starting January 1, 2010, a new Environmental Protection Agency (EPA) mandate will change the way your clients' home air conditioners are serviced and repaired. At that time, manufacturing HVAC equipment that primarily utilizes Freon[®] (also known as R-22 and HCFC-22) will be banned, and the nation will begin using products such as Puron[®] (also known as R-410A) as the standard refrigerant for air conditioners. This change will affect your buyers and sellers in many ways.

Costs will increase

A variety of factors will lead to increased costs:

- R-22 parts may no longer be available.
- Since R-410A parts are not always interchangeable with R-22 parts, replacement of the entire system might be necessary.
- Physical changes to your system may be needed to accommodate the larger equipment required in air conditioners using R-410A refrigerant.
- The supply of R-22 refrigerant will be limited, causing the price to increase.
- Repairs may take longer because you may want to explore your options and wait for less expensive parts, if they are available.
- New HVAC equipment may be more expensive to purchase and install

Manufacturers' warranties may not provide full coverage

Typical manufacturers' warranties only cover parts for one year, in most cases. Labor is a significant part of any repair. Each manufacturer may take a different position if an R-22 system cannot be repaired or parts are not available.

System and appliance warranties/ service contracts typically exclude coverage resulting from government-mandated changes

Most system and appliance home service contracts/warranties contain language that effectively excludes the additional costs resulting from this government-mandated change. Each home service contract may deal with this situation differently.

Your Disclosure Responsibility

Only a licensed real estate attorney in your area can answer that question. Most states have specific disclosure requirements that must be considered. You may want to:

- Consider adding a disclosure form that details the potential impact of the new refrigeration requirements with all home sales.
- Offer a home service contract/ warranty on each transaction that includes R-410A coverage from a company that covers the transition.
- Have the parties to the transaction sign the disclosure form as evidence that they were made aware of the R-410A issue and were offered a home service contract/ warranty.

2-10 HBW ResaleSM has taken proactive steps to address this change by **upgrading our coverage to include R-410A** covering costly upgrades, reducing your liability and eliminating risk to homeowners. Visit www.R410ASolutions.com to answer all your questions concerning the impact of this new

government mandate to you and your clients or call **336 324 9389** to deliver real time answers to agents and homeowners.