

## **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<sup>®</sup> (also known as R-22 and HCFC-22) will be banned, and the nation will begin using products such as Puron<sup>®</sup> (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 Resale<sup>SM</sup> 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](http://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.