

The New Home Construction Guaranty Fund

Connecticut's New Home Construction Guaranty Fund is a pool of money created with annual assessments of registered new home contractors and managed by the Department of Consumer Protection. The Fund is used by the Department to help satisfy new home buyers who have been aggrieved.

If you are a home buyer who has been adversely affected by a negligent new home construction contractor, you may be eligible for up to \$30,000 in compensation from the Guaranty Fund if the following three criteria are met:

1. You obtain a court judgment against the registered new home construction contractor, **and**
- 2a. You apply to the Fund within two years after receiving that court judgment against the contractor, **or**
- 2b. You apply to the Fund for within two years after you entered into the building contract with the contractor.

For complete details see **Section 20-417i of the Connecticut General Statutes**. You may find and print a complaint form and Guaranty Fund application from our website at www.ct.gov/dcp.



State of Connecticut
Department of Consumer Protection
165 Capitol Avenue
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860-713-6110
Toll Free: 800-842-2649

www.ct.gov/dcp

What consumers need to know about New Home Construction



Building a new home is surely one of the most exciting, complex and costly projects that most people will tackle in their lifetime.

Connecticut state law provides certain protections to new home buyers, but the most important way to preserve your sanity and your wallet when taking on a home construction project is to be very well informed.

As defined by Connecticut statute, a “new home” is any newly constructed:

- single family dwelling unit; or
- dwellings consisting of not more than two units; or
- a unit, such as a condominium.

Before You Hire a New Home Contractor

Be sure your contractor is registered! When hiring a contractor to build your new home, make sure he or she is registered as a New Home Contractor with the Connecticut Department of Consumer Protection.

While registration does not ensure the quality of the contractor’s work or the contractor’s competency, it will provide you with certain protections if things go wrong. See information about the New Home Construction Guaranty Fund later in this brochure.

- Verify the contractor’s registration and review his or her complaint history with the Department of Consumer Protection. You can do this on the e-licensing website at <https://www.elicense.ct.gov/> or by calling 1-800-842-2649.
- Ask the contractor for a list of the last twelve new homes that he or she has completed, **or** for a list of all new homes completed in the previous two years.
- Contact several individuals on the list to discuss the quality and timeliness of the contractor’s work.
- You may wish to obtain advice from an attorney. Remember, this is one of the biggest purchases you will ever make!

Issues to Address with Your New Home Contractor

- Discuss whether the contractor has a customer service policy, and if so, learn the name of the person designated by the contractor to help you resolve any complaints about the contractor’s work.
- Find out whether the contractor will **hold you harmless** for work performed by any subcontractor hired by the contractor. You want a signed waiver of lien from each subcontractor, or a specific “hold harmless” statement written into your contract.

Visit Online or Call Us with Questions

The Department of Consumer Protection website at www.ct.gov/dcp devotes a section to new home construction and concerns. In the “search” box at the top right of our home page, type in “new home” for links to several pages of interest.

You may also call us at (860) 713-6110.