RIGHT TO CURE LAW

Wisconsin's Framework for Successful Communications Between Consumers and Contractors

2005 Wisconsin Act 201, the "Right to Cure Law," says that consumers at the time of contracting for construction or remodeling work for dwellings must be provided with this brochure describing requirements for making any future claims of construction defects.

The "Right to Cure Law" also provides timetables and steps to help solve disputes and misunderstandings between consumers and contractors related to residential construction and remodeling, before going to court or arbitration.

People who feel they have a claim concerning defective workmanship or materials need to provide written notice to contractors or suppliers before any legal action may be filed. The contractors and suppliers have the opportunity and the responsibility to respond to claims. This brochure highlights some of the provisions of the "Right to Cure" Law, and is not a complete description of the law, and is not a substitute for legal representation.

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The "Right to Cure Law" requires that before any dwelling construction begins, consumers must be provided with this brochure prepared by the state Department of Commerce, and the following notice:

Notice Concerning Construction Defects

Wisconsin law contains important requirements you must follow before you may file a lawsuit for defective construction against the contractor who constructed your dwelling or completed your remodeling project or against a window or door supplier or manufacturer. Section 895.07 (2) and (3) of the Wisconsin statutes requires you to deliver to the contractor a written notice of any construction conditions you allege are defective before you file your lawsuit, and you must provide your contractor or window or door supplier the opportunity to make an offer to repair or remedy the alleged construction defects. You are not obligated to accept any offer made by the contractor or window or door supplier. All parties are bound by applicable warranty provisions.

The Wisconsin Department of Commerce prepared this brochure, but does not investigate, arbitrate, or judge consumer-contractor/supplier disputes. Those disputes are solved through the "Right to Cure Law" process, by the state's court system, and, for alterations and additions, the Home Improvement Practices Code, ATCP 110, of the state Department of Agriculture, Trade, and Consumer Protection.

The "Right to Cure Law" provides the steps and timetables to be followed in resolving any claims of dwelling construction defects by consumers against contractors or suppliers. Claims must be pursued through the "Right to Cure Law" process before arbitration or before legal action.

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If no agreement has been reached concerning the alleged defect after the structured exchange of communications between a claimant and the contractor or supplier, according to the "Right to Cure Law" process, the claimant may file a legal action in court or go to arbitration.

Construction defects can involve workmanship, materials, or code requirements in new construction or remodeling, but not maintenance or repairs.

Consumers and contractors or suppliers are bound by warranty terms for products or services. A warranty can define a construction defect.

A dwelling is any premise or portion of a premise that is used as a home or place of residence. This also includes existing driveways, sidewalks, swimming pools, patios, porches, detached garages, etc.

Claims are a request or demand to remedy a construction defect caused by a contractor or supplier. Claims may be made by owners, tenants, or property associations.

Claimants have a number of responsibilities in making timely specific written claims to contractors and suppliers.

Contractors are persons who enter into written or verbal contracts to construct or remodel a dwelling. Suppliers are persons who manufacture or provide windows or doors for a dwelling.

The steps for claims and responses are defined in the "Right to Cure Law." Claims must include specific written description of alleged defects and evidence to substantiate the nature and cause of defects. Responses to claims and other written communications must also be specific to allegations and evidence.

Contractors or suppliers must respond to a written claim within a set number of working days either by offering to repair or remedy in some fashion, by requesting an opportunity to inspect, by involving a supplier, or by rejecting the claim.

2005 Wisconsin Act 201 may be found on the Department of Commerce Web site, as can a PDF copy of this brochure: http://commerce.wi.gov/*SB/SB-Div* Publications.html. Contact legal counsel for more information on the "Right to Cure Law," and consumer and contractor rights and responsibilities.

Chronology of the step-by-step claim and response interaction between consumers and contractors/suppliers

Step One: Notice of Claim - At least 90 working days before commencing an action against a contractor or window or door supplier or manufacturer, a claimant must deliver a written notice of the alleged defect to the contractor.

Step Two: Contractor & Response - The contractor will have 15 working days (or 25 working days if it involves a defect involving a window or door supplier) to provide the claimant with a written: (1) offer to repair or remedy the defect: (2) offer to settle the claim with a monetary payment; *(3)* offer of a combination of (l) and (2); (4) statement that the contractor rejects the claim and the reasons for rejecting the claim; or (S) proposal to inspect the alleged defect or perform any necessary testing.

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Step Three: Claimant 's Response - If the contractor rejects the claim, the claimant may proceed to commence an action against the contractor. The claimant must serve written notice on the contractor within 5 working days if he or she either accepts any offer or rejects an offer. Note that if the claimant has a claim against a window or door supplier or manufacturer, the claimant should contact the supplier to ensure that the supplier received a notice of the claim from the contractor.

Step Four: Contractor ~ Supplemental Response - If the claimant rejects the offer, the contractor has five working days to provide a written supplemental offer or a notice that no additional offer will be made.

Step Five: Claimants Response - If the contractor has provided the claimant written notice that no additional offer will be made, the claimant may commence a lawsuit or other action against the contractor. If the claimant has received a supplemental offer from the contractor, the claimant must respond within 15 working days.

MORE HIGHLIGHTS:

o Claimants may accept settlement offers, accept them in part, or reject offers, doing so via detailed written notice.

o The law does not apply where there is no contract to construct, as in the case of purchasing an existing home.

o Remedies to claims may involve repairs, monetary payment, or a combination or repairs and payments.

• Contractors and suppliers have the right to inspect and, as appropriate, test alleged defects.

• Access must be provided in a timely fashion for inspections, tests, and repairs.

o Additional claims made or discovered after an original claim are treated as separate in terms of time and process.

• There is a different timetable and process for the claims and responses if a contractor seeks contribution from a supplier.

• Failure by the claimant, contractor, or supplier to follow the "Right to Cure Act" can result in delay or dismissal of legal or arbitration actions.

The Wisconsin Department of Commerce docs not discriminate on the basis of sex, race, religion, age, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request Contact the Safety and Buildings Division at 608-266-3151, or TTY 608-264-8777.

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Right to Cure Law has been received and hereby agreed to:

_____	_____
Buyer	Date
_____	_____
Buyer	Date
_____	_____
Builder	Date