

Frequently Asked Questions: KB HOME

What is this case about?

The Attorney General's Office investigated whether KB HOME and its subsidiaries violated the Florida Deceptive and Unfair Trade Practices Act by, among other things, failing to make certain disclosures to home buyers regarding the construction of some of its homes and improperly denying warranty coverage to certain homeowners who were otherwise covered. The settlement ensures that KB HOME will repair homes that meet certain criteria, establishes a restitution fund to pay the out-of-pocket expenses incurred by current and former homeowners displaced by repair work, and requires KB HOME to undertake several significant changes to its construction and business practices.

This is not a construction defect case, but rather a case about KB HOME's alleged failures to disclose to homebuyers in Florida certain issues with the homes they were purchasing. This is also a case about alleged improper denials of warranty coverage to Florida consumers by KB HOME. The Attorney General's Office is not a general regulator of construction in Florida. That is the responsibility of DBPR and the local building officials in the Florida counties. Consumers who believe that they may have a construction defect claim should contact a private attorney.

If this is not a construction case, why are certain construction issues addressed?

During the course of the investigation, it became apparent that certain construction issues should be addressed as part of any resolution of the investigation, including providing consumers with the opportunity for repairs to their homes.

How do I know if my home qualifies for repairs?

To qualify for repairs, you must:

- currently own a home built by KB HOME in Florida and
- the original buyer of the home must have purchased the home from KB HOME after April 17, 2005.

In addition to the above, you will qualify for repairs if:

- your home is 0-24 months old as of April 17, 2015 and has a stucco crack that is 1/16 inch or greater;
- your home is 25-60 months old and has a stucco crack that is 1/8 inch or greater;
- your home is 61-84 months old and has a stucco crack that is 1/8 inch or greater, provided the home has previously been repainted;
- your home is 85-120 months old and has a stucco crack that is 1/8 inch or greater, provided the home has previously been repainted and the home has not been vacant for more than 270 days;
- your home is 0-84 months old and has delaminated stucco; or

- your home is 85-120 months old and has delaminated stucco, provided the home has previously been repainted and the home has not been vacant for more than 270 days.

Who do I contact to inquire about repairs to my house?

- For homeowners in the Tampa area, you may call KB HOME at 813-387-9600 or send an email to TampaClaims@kbhome.com.
- For homeowners in the Orlando area, you may call KB HOME at 1-800-305-2246 or send an email to OrlandoCustomerService@kbhome.com.
- For homeowners in the Jacksonville area, you may call KB HOME at 904-596-6690 or send an email to kbjaxcustserv@kbhome.com.
- If your home is located outside of these regions, contact the closest region above for repairs.

How long do I have to ask for repairs?

Eligible homeowners have until August 10, 2017 to request repairs from KB HOME.

Who do I call if I disagree with the repairs to my house?

If you disagree with KB HOME's assessment of your eligibility for repairs under the Final Judgment or the extent of the repairs, then you may contact Bonded Builders at 866-323-6170 or KBHClaims@BondedBuilders.com. Bonded Builders will review and decide all repair disputes under the Final Judgment.

How do I know if I qualify for a restitution payment?

To qualify to receive a restitution payment, you must be a current or former owner of a home built by KB HOME in Florida since April 17, 2005 and have incurred out-of-pocket expenses as a direct result of a construction defect in your home or the repairs conducted by KB HOME or one of its contractors. The loss and expense must have occurred before the date of the entry of the Final Judgment. Claims are limited to property loss claims only.

What claims for restitution are not covered?

- Individual homeowners and persons who are members of a homeowners association or a condominium association that is represented by counsel and who are either: (1) currently in litigation with KB HOME at the time of the Final Judgment or (2) who have sent a notice under Chapter 558, Florida Statutes, to KB HOME that is unresolved at the time of the Final Judgment, are not eligible to submit claims for a restitution payment.
- Claims for losses such as lost wages, emotional distress, loss of equity, etc. will not be allowed.
- Homeowners associations and condominium associations may not make a claim for a restitution payment.

- Restitution payments will not be made for REO properties. REO or “real estate owned” properties are those owned by a lender, bank, or government entity typically following a default in payments on a mortgage or a foreclosure proceeding.

How do I apply to receive a restitution payment?

- You may contact the claims administrator, A.B. Data, Ltd., at 1-888-210-5486 to obtain a claim form.
- You may also download and submit a claim form with the required documentation online at the following website: www.florida-ag-kbsettlement.com.
- You may also mail completed claim forms with the required documentation to:
KB HOME Settlement
A.B. Data, Ltd.
P.O. Box 170500
Milwaukee, Wisconsin 53217.

What information will I need to provide to make a claim for a restitution payment?

- You must submit proof that you are a current or former owner of a home in Florida built by KB HOME.
- You will be required to produce proof of loss including a statement describing how the loss was caused by KB HOME or one of its contractors and give the date of the loss.
- Proof of loss should include photographs and repair records if they are available.
- Also, you will need to provide evidence of payment in the form of receipts, credit card statements, or cancelled checks.

When will I know if I will receive a restitution payment?

The claims administrator will contact you after you submit your claim and let you know whether your claim will be paid. You may be paid a percentage of your claim up to the full amount of your claim. The actual amount of your payment will not be known until the end of the claims period, depending on factors such as the number of claims received and the amount of those claims. The actual payment of claims will not occur until all claims have been received. The claims administrator will have the final authority to decide whether to pay a claim.

How long do I have to submit an application for a restitution payment?

Eligible homeowners have until August 10, 2017 to submit a claim for a restitution payment. Claims received by the claims administrator after August 10, 2017 will not be paid.

Are there any conditions associated with receiving a restitution payment or receiving a repair?

Yes, homeowners who are eligible to receive a restitution payment of more than \$500 or a repair will be asked to sign a release of KB HOME. A copy of the release is attached to the Final Judgment as Exhibit B and may be found by clicking, [here](#).

What type of construction improvements is KB HOME going to make in its future construction?

KB HOME has begun implementing the following construction improvements. KB HOME is now using Tyvek branded stucco wrap in lieu of generic house wrap, separate and superior paper backing in lieu of paper-backed lath, an upgraded butyl based tape at exterior penetrations, all vinyl stucco accessories in lieu of metal, and a superior Sherwin Williams Loxon exterior two-coat paint system. Additionally, KB HOME is installing gutters on all two-story homes.

What other obligations does KB HOME have relating to its construction practices?

KB HOME will use stucco industry experts to provide additional training to KB HOME's employees and trade contractors. KB HOME's new construction will be inspected by a third-party inspector. KB HOME shall use only properly licensed contractors for repairs and new construction. KB HOME's construction shall comply with the Florida building codes.

What obligations does KB HOME have relating to its warranties?

- KB HOME will use good faith in interpreting and applying the terms of its existing warranties to homeowner warranty claims.
- KB HOME will provide additional training to its employees in applying the warranty performance standards to Florida warranty claims.
- If KB HOME is going to make repairs under a warranty, KB HOME will provide the homeowner a detailed written statement of the repairs to be made and an estimated schedule for the repairs.
- If a warranty claim is denied, KB HOME shall provide to the homeowner a written reason for the denial.
- For warranties issued after January 1, 2016, homeowners will have the opportunity to submit warranty disputes to an independent third-party to decide the dispute.
- For warranties issued after January 1, 2016, KB HOME will not disclaim any implied warranties and will not include arbitration in its warranty.

Where can I find a copy of the Final Judgment?

The Final Judgment can be found on the Attorney General's website at <http://www.myfloridalegal.com>.