

PERSPECTIVES

Helping Real Estate Professionals & Homeowners for more than two decades.

Warranty
800-443-5599

Inspections
800-285-3001

New EPA Regulations

R-22 versus R-410A — Impact to Homeowners

In a major step to reduce harmful gases that deplete the ozone layer, the Environmental Protection Agency (EPA) has banned the manufacturing of new air conditioning systems that use R-22 refrigerant (Freon). R-22 is the coolant used in most air conditioners since the 1970's. While effective, R-22 emits significant amounts of chlorine gas which is harmful to the environment. Starting in 2010, all new air conditioning systems will be manufactured to use safer coolants like R-410A. This change is good for the environment but could result in additional costs for homeowners.

So what's the big deal?

Unfortunately, you can't simply replace your R-22 with the new R-410A coolant without making some substantial and perhaps costly changes to other components of your air conditioning system. Both coolants are effective, but have different chemical properties and different pressure requirements. Therefore, when a repair is made other parts of the air conditioner may also need to be upgraded or reconditioned even though they were previously operating properly.

However, homeowners/buyers shouldn't panic. The EPA believes the transition from R-22 to a more ozone-friendly refrigerant should be smooth. In fact, chemical manufacturers can continue to produce R-22 to service existing cooling systems until 2020. So while the cost for R-22 may fluctuate with demand and availability, we don't expect major complications in repairing existing air conditioning equipment – although higher costs should be expected.

What should homeowners/buyers do?

It's important to have your cooling system inspected and regularly serviced. If you're buying a home, we always recommend a professional home inspection. If properly serviced and maintained, most systems can provide 10 to 15 years of operation.

However, a recent press release from the National Home Services Contract Association (www.homeservicecontract.org) warns that some but not all of the costs may be covered by home warranties. Warranties generally cover the repair of the covered components – but generally do not provide coverage for upgrades or modifications that may be necessary as a result of the repair. It can be confusing, but understand that unless you're purchasing additional coverage for modifications future air-conditioning repairs will likely cost you more.

BPG Home Warranty contracts include the repair and replacement of R-22 air conditioning systems. When R-22 equipment becomes unavailable, we will replace failed components with the new R-410A equipment – including service and replacement of any covered components that are necessary to maintain compatibility. In addition, we will automatically include our Relocation/Alteration option (**\$100 value**) on all Preferred contracts funded through July 31, 2010.* This option provides up to \$1,000 in additional protection for modifications that may be needed – items not typically covered even by most home warranty upgrade packages.

Are there other considerations?

Homeowners/buyers should always consider the benefits of upgrading to an energy-efficient system which will benefit both the environment and your wallet. Today's best air conditioners use much less energy to produce the same amount of cooling as air conditioners made in the mid-1990s. Products with EPA's Energy Star® label can save homeowners 10% to 40% on their heating and cooling bills every year. Remember, the efficiency of an air conditioning unit is the same whether the unit utilizes R-410A or R-22 – look for the SEER qualification.

Clients receive our exclusive **Extended Advice**SM program which provides complementary access to subject matter experts. We're here to help on any home-related topic – even on items not covered by your warranty.

* Relocation/Alteration coverage will be automatically included on all first-year *Preferred Plan* contracts with effective dates between April 19, 2010 and July 31, 2010. Offer is limited to AZ, CA, NV, and TX. Please see contracts for terms and conditions. Home Warranty is issued and administered by BPG Home Warranty Company.



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Home Warranty

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New EPA Regulations

Don't let R410-A confusion complicate your transaction.



SAVE \$100*

FREE Relocation/Alteration Option
on all Preferred warranties funded by July 31, 2010.
Up to **\$1000** in additional protection for modifications.

Simply call **800-443-5599**

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