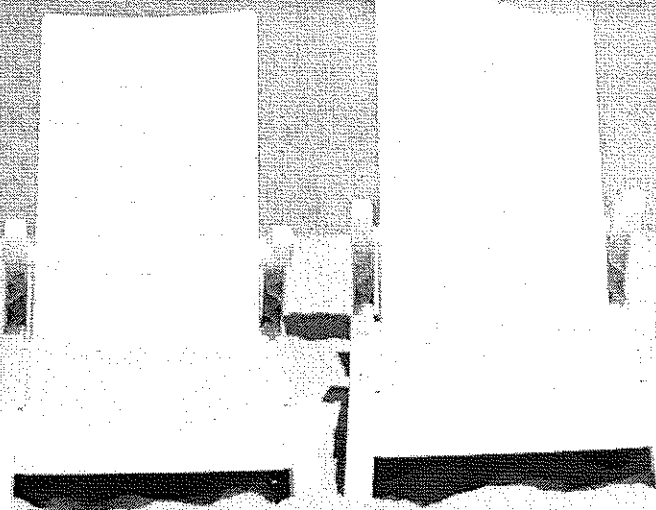


GEORGIA REALTOR[®]

JULY/AUGUST 2008

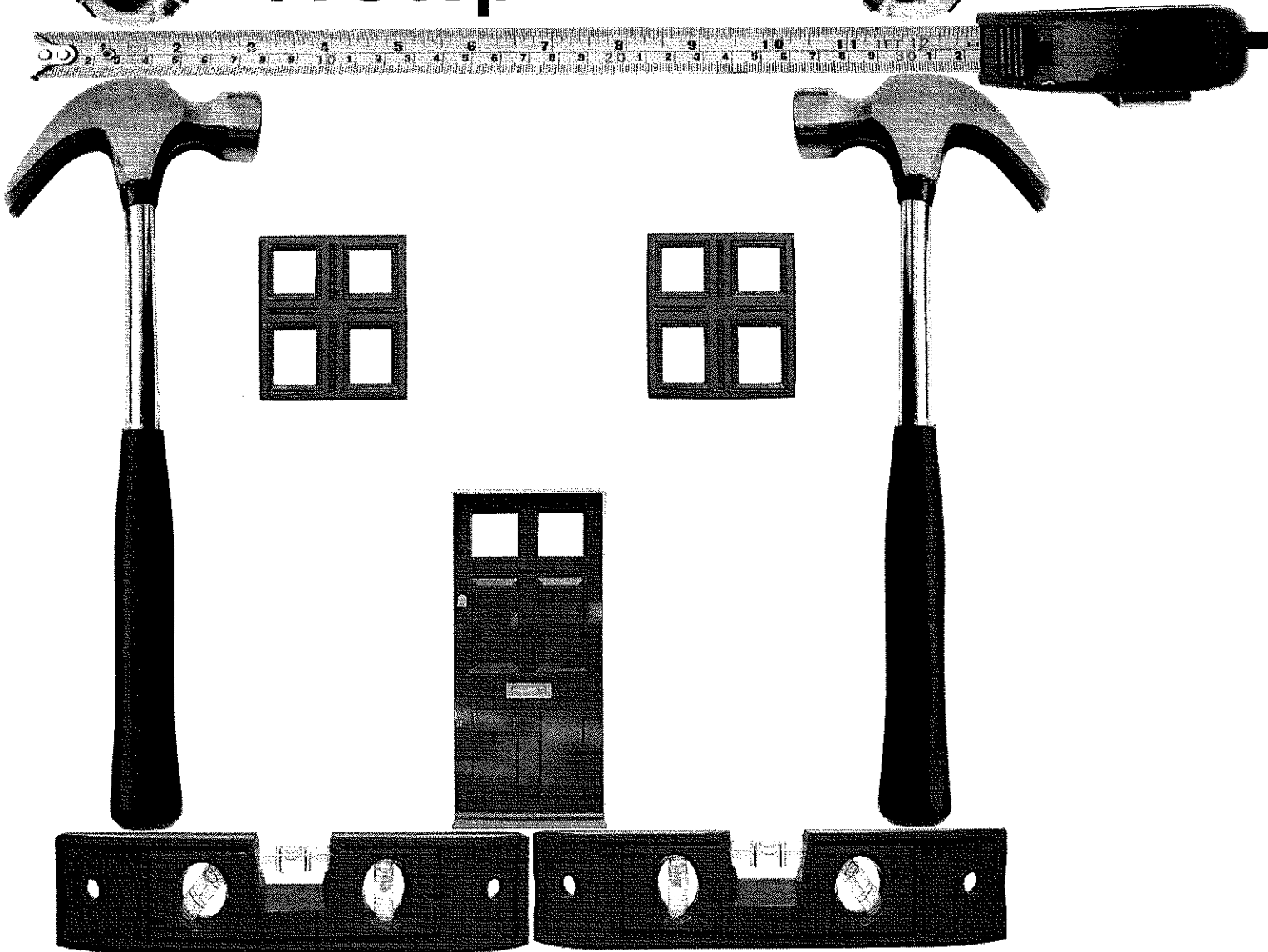
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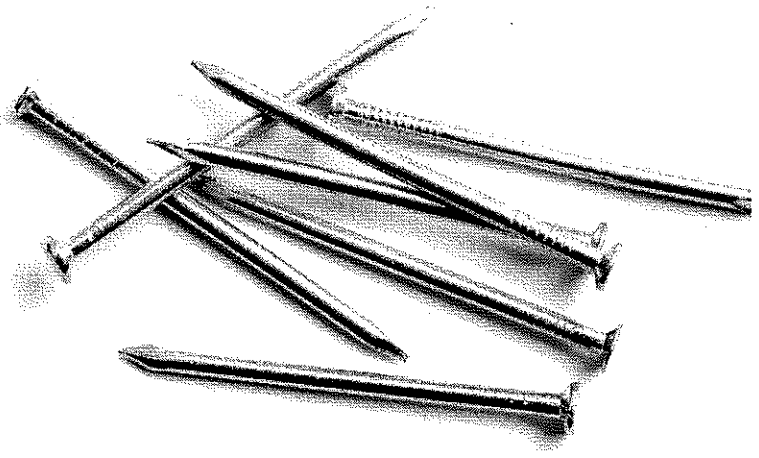
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Certified Professional Home BuildersSM

A Step Above





Why Should You Work With a CPHB?

The Certified Professional Home BuilderSM (CPHBSM) Program can help REALTORS[®] sell more homes, provide more value to their home buyers and minimize liability with unhappy home buyers. The CPHB Program is a highly successful residential builder certification program that yields higher quality homes and better customer service.

As of July 1, 2008, every Georgia builder must be licensed. So, a license will not distinguish one builder from another. The CPHB designation offers a genuine and profitable distinction between CPHB builders and other builders. In the current slow and increasingly competitive housing market, this distinction is an advantage critical both to selling homes for your builder and selling the purchase of homes to your buyers.

The CPHB Program is administered by The Housing Institute, Inc., a subsidiary of the Greater Atlanta Home Builders Association, Inc. Its board includes not only builders, but REALTORS[®], a code official, a home inspector, the president of the Better Business Bureau for the Atlanta metropolitan area and others in the housing industry. That diversity fosters the CPHB Program's credibility with home buyers.

CPHB builders have the following advantages, both real and marketing, over a licensed builder:

(1) Education. Georgia's new contractor licensing law ("Licensing Law") requires most residential builders to take only three education hours per year. In contrast, CPHB builders must have 16 hours each

year — more than five times as much.

(2) Code Certification. CPHB builders must pass the ICC Residential Building Contractor C Exam or its equivalent. The grandfathering terms of the Licensing Law excuses most builders from taking an exam.

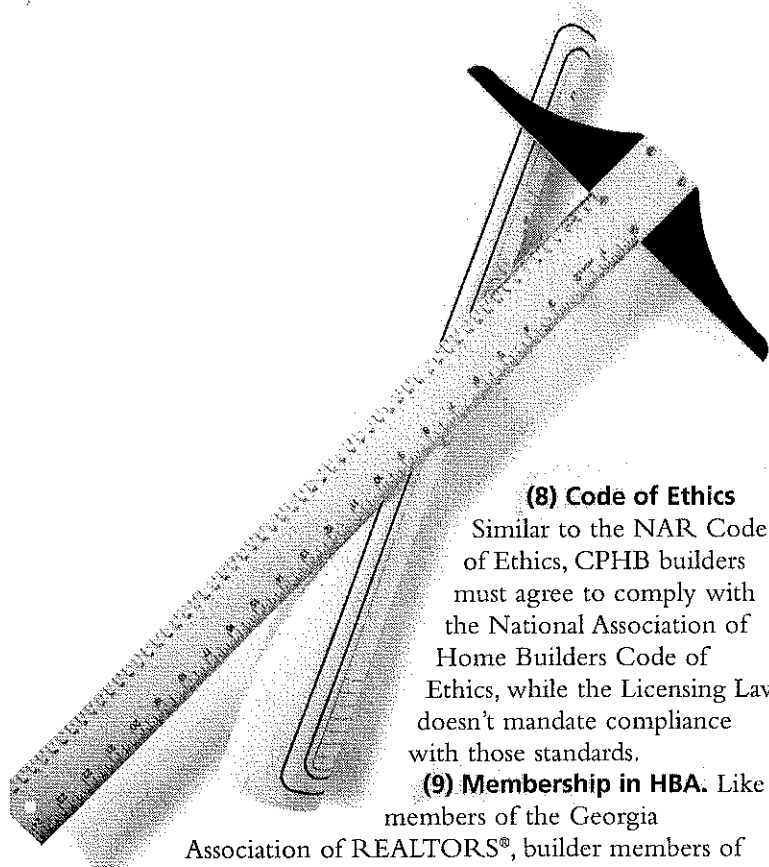
(3) References. CPHB builders must provide references from the following: one financial institution; five homeowners; three trade contractors; three suppliers; and, generally two CPHB builders. The Licensing Law requires as few as one reference.

(4) Experience. A residential-basic contractor must have two years of residential experience under the Licensing Law, while the CPHB Program requires at least three years experience in residential construction.

(5) Focus. The Licensing Law doesn't require a builder's primary business to be residential construction or remodeling. That is a CPHB Program requirement.

(6) Building Volume. In the preceding 12 months, CPHB builders must have received five construction or remodeling permits or entered into or closed residential transactions of at least \$750,000. Conversely, the Licensing Law requires most residential builders to have only significant responsibility for successfully completing two residential projects during the preceding two years.

(7) Insurance. CPHB builders must have at least \$500,000 of general liability insurance and builder's risk insurance. For most residential builders, the Licensing Law requires only \$300,000 of general liability insurance and no builder's risk insurance.



(8) Code of Ethics

Similar to the NAR Code of Ethics, CPHB builders must agree to comply with the National Association of Home Builders Code of Ethics, while the Licensing Law doesn't mandate compliance with those standards.

(9) Membership in HBA.

Like members of the Georgia Association of REALTORS®, builder members of local home builder associations generally have broader and more current industry knowledge and skills than non-members because members interact with other builders, participate in industry committees and benefit from association educational programs. CPHB builders must join a local home builder association. The Licensing Law doesn't impose that requirement.

(10) Warranty. The Licensing Law has a warranty provision, but it doesn't mandate specific coverage. CPHB builders must use an approved warranty and warranty procedures or substantially equivalent ones.

(11) Home Inspections. CPHB builders must allow a qualified professional home inspector to conduct a fair inspection. The Licensing Law doesn't include this requirement.

(12) Mandatory Binding Arbitration. Arbitration is favored over litigation as a matter of Georgia and federal public policy. Its advantages include reduced cost and time, greater privacy, informality, flexibility and finality. CPHB builders must offer arbitration to home buyers. A similar requirement isn't in the Licensing Law.

(13) Better Business Bureau Rating. CPHB builders can't have a negative rating with the Better Business Bureau. The Licensing Law doesn't have this requirement.

(14) Dispute Resolution Process. The CPHB Program has a dispute resolution process designed to

assist in the informal resolution of disputes that may arise between CPHB builders and home buyers. The Licensing Law doesn't have a similar process.

(15) Renewal: CPHB builders must renew membership annually. License renewal is every other year.

More Profit Working Within a CPHB Partnership

In short, being a CPHB builder means much more than being a licensed builder. For REALTORS®, selling or assisting a buyer in buying a home built by a CPHB will be easier and more profitable.

The Housing Institute markets the CPHB Program in a number of ways, including through:

- (1) the FMLS website, which includes CPHB designation as a searchable criterion (see fmls.com);
- (2) the CPHB Directory and Buyers' Guide, which is distributed to REALTORS® and potential home buyers;
- (3) advertisements in the Atlanta Journal-Constitution and other publications; and
- (4) radio advertisements. CPHB builders also promote their status and the CPHB Program by using the CPHB logo in marketing materials.

Because CPHB Program standards are superior to those in the licensing law, a buyer should feel more confidence and security when purchasing a home from a CPHB builder.

You can obtain more information about the CPHB Program by visiting its Web site at cphb.org or by contacting its director, Kim Jones, at (678) 775-1462 or kjones@atlantahomebuilders.com.

Frank O. Brown, Jr., is General Counsel to the Greater Atlanta Home Builders Association, Inc. and is a partner and the chair of the Builder/Developer Team at Weissman, Nowack, Curry & Wilco, P.C. For questions or comments regarding this article, he may be reached at (404) 926-4504 or frankbrown@uncwlaw.com.