

Frequently Asked Questions: Pulte

What is this case about?

The Attorney General's Office investigated whether Pulte 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 Pulte will repair homes that meet certain criteria, establishes a restitution fund to pay the out-of-pocket expenses incurred by current and former homeowners, and requires Pulte to undertake several significant changes to its construction and business practices.

This is not a construction defect case, but rather a case about Pulte'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 Pulte. 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 Pulte in Florida; and
- The original buyer of the home must have purchased the home from Pulte after July 1, 2008; and
- The current or prior owner of the home must not have previously executed a valid release of stucco related claims in favor of Pulte or its subsidiaries/affiliates.

In addition to the above, you will qualify for repairs if, as of July 1, 2018:

Stucco Cracking

- Your home is 0-24 months old and has an exterior stucco crack over wood frame that is 1/16 inch or greater, or, has excessive stucco cracking of the stucco over wood frame;

- Your home is 25-60 months old and has a stucco crack over wood frame that is 1/8 inch or greater;
- Your home is 61-84 months old and has a stucco crack over wood frame 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 over wood frame that is 1/8 inch or greater, provided the home has been previously repainted and the home has not been vacant for more than 270 continuous days;

Stucco Delamination¹

- Your home is 0-60 months old and has delaminated stucco;
- Your home is 61-84 months old and has delaminated stucco, provided the home has previously been repainted;
- Your home is 85 to 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 continuous days.

Weep Screed Conditions²

- Your home is 0-60 months old and has weep screed conditions resulting in stucco delamination or water intrusion;
- Your home is 61-84 months old and has weep screed conditions resulting in stucco delamination or water intrusion, provided the home has previously been repainted;
- Your home is 85 to 120 months old and has weep screed conditions resulting in stucco delamination or water intrusion, provided the home has previously been repainted and the home has not been vacant for more than 270 continuous days.

¹ “Stucco Delamination” means an apparent visual separation of any layer of the stucco surface of the exterior of a home including without limitation buckling, bubbling, peeling, blistering, or collapse of the stucco. Excluded from this definition is any stucco delamination caused by an external force applied by any person, equipment, or object subsequent to issuance of the certificate of occupancy for the home, with the exception of any delamination caused by Pulte or those contracted to perform work at the home by Pulte.

² “Weep Screed Conditions” means, without limitation, weep screeds improperly installed, weep screeds not installed, weep screeds lacking proper weep holes or other means to drain water, weep screeds with weep holes painted over by Pulte or one of Pulte’s subcontractors, or any other condition that causes a weep screed to not function for its intended purpose.

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

To make a repair claim under this settlement, please make a request to Pulte, **in writing**, by 1) e-mail or 2) submission of a written claim form to Pulte for evaluation or repair of the home.

Homeowners may email Pulte at FLStuccoSettlement@Pulte.com. Homeowners may also call Pulte at 844-947-4234 to receive a written claim form.

If you are **unable** to submit a written claim, you may make your claim to Pulte by phone at the telephone number identified above.

How long do I have to ask for repairs?

Eligible homeowners have until June 28, 2020 to request repairs from Pulte.

Who do I call if I disagree with the repair assessment for my house?

If you disagree with Pulte's assessment of your eligibility for repairs under the Final Judgment or the extent of the repairs, then you may contact Centricity at 1-800-749-0381 x4909 or RLange@Centricity.com. Centricity 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 Pulte 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 Pulte 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. Property loss claims include, for example, expenses paid to inspect or address: stucco cracking and related painting costs; water intrusion and property damaged by water intrusion; mold remediation; and other associated costs.

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 Pulte at the time of the Final Judgment or (2) who have sent a notice under Chapter 558, Florida Statutes, to Pulte 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 1-800-232-3154 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-PulteSettlement.com.
- You may also mail completed claim forms with the required documentation to:
Pulte 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 Pulte.
- You will be required to produce proof of loss including a statement describing how the loss was caused by Pulte 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 **2/15/2020** to submit an online claim or mail their claim for a restitution payment. Claims received by the claims administrator after **2/15/2020** 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 \$1,000 or a repair will be asked to sign a release of Pulte. A copy of the release for consumers accepting repairs is attached to the Final Judgment as Exhibit B and may be found, attached, below. A copy of the release for consumers accepting restitution payments above \$1,000 is attached to the Final Judgment as Exhibit C and may be found, attached, below.

What obligations does Pulte have relating to its construction practices?

Pulte will use stucco industry experts to provide additional training to Pulte's employees and trade contractors. Pulte's current and future new stucco over wood frame construction will be inspected by a third-party inspector. Pulte shall use only properly licensed contractors for repairs and new construction. Pulte's construction shall comply with the Florida building codes, and Pulte shall not pay any bonus to any employee that may incentivize non-compliance with the Florida building code.

What obligations does Pulte have relating to its warranties?

- Pulte will use good faith in interpreting and applying the terms of its existing warranties to homeowner warranty claims.
- Pulte will provide additional training to its employees on applying the terms of its warranty to Florida warranty claims.
- Following receipt of a stucco or water intrusion warranty claim, Pulte must perform a visual, in-person inspection of the home.
- If Pulte is going to make repairs in response to a stucco or water intrusion warranty claim, Pulte will provide the homeowner a detailed written statement of the repairs to be made and an estimated schedule for the repairs.
- If a stucco or water intrusion warranty claim is denied, Pulte shall provide to the homeowner a written reason for the denial.

EXHIBIT B
WAIVER AND RELEASE OF CLAIMS

_____, individually and as a member of the _____ Association, to the fullest extent provided or allowed under Rule 1.221 Florida Rules of Civil Procedure and Chapters 718 and 720, Florida Statutes, releases Pulte, its parent entities, subsidiaries, predecessors in interest, successors, assigns, officers, shareholders, members, employees, agents, consultants, insurers, sureties and attorneys in fact or at law, from any and all statutory warranties, common law warranties, actions, causes of actions, suits, proceedings, debts, dues, contracts, judgments, damages, claims, liability and demands, in law or in equity, arising out of or relating to: (i) the design, construction, repair, inspection, use, operation, maintenance, occupancy, or existence of the property; or (ii) any defect or deficiency affecting the property; or (iii) any damage to the property; or (iv) any loss or impairment of use of the property or any loss of rent or income; or (v) any diminution of value of the property; or (vi) any bond or insurance policy, which relates in any way to the property; or (vii) any conditions, circumstances, conduct, damages, loss, misrepresentations, fraud, concealment, deceit, acts, or omissions which were or could have been alleged; or (viii) any representation, communication, failure to communicate, disclosure, failure to disclose, act, omission, or conduct on the part of Pulte related to the property. This release does not extend or toll any statute of limitations periods for any claims unrelated to the subject matter of the repairs performed pursuant to Paragraph 10 to that certain Stipulated Consent Decree and Final Judgment entered on [date], in the matter of *Office of the Attorney General, Dept. of Legal Affairs, State of Florida v. PulteGroup, Inc. and Pulte Home Company, LLC* (the "Consent Decree"). This release does not affect statutory warranties, common law warranties, actions, causes of actions, suits, proceedings, debts, dues, contracts, judgments, damages, claims, liability and demands, in law or in equity unrelated to the subject matter of the repairs performed pursuant to the Consent Decree, nor does it affect those arising after the date of the release or resulting from latent defects in the property as of the date of this release unrelated to the repairs performed pursuant to the Consent Decree.

It is expressly agreed and understood that this release is not intended to, nor does it, bar any claims for payment pursuant to Paragraph 31 of the Consent Decree or actions relating to Pulte's deposit retention practices.

EXHIBIT C
WAIVER AND RELEASE OF CLAIMS

_____, individually and as a member of the _____ Association, to the fullest extent provided or allowed under Rule 1.221 Florida Rules of Civil Procedure and Chapters 718 and 720, Florida Statutes, releases Pulte, its parent entities, subsidiaries, predecessors in interest, successors, assigns, officers, shareholders, members, employees, agents, consultants, insurers, sureties and attorneys in fact or at law, from any and all statutory warranties, common law warranties, actions, causes of actions, suits, proceedings, debts, dues, contracts, judgments, damages, claims, liability and demands, in law or in equity, arising out of or relating to: (i) the design, construction, repair, inspection, use, operation, maintenance, occupancy, or existence of the property; or (ii) any defect or deficiency affecting the property; or (iii) any damage to the property; or (iv) any loss or impairment of use of the property or any loss of rent or income; or (v) any diminution of value of the property; or (vi) any bond or insurance policy, which relates in any way to the property; or (vii) any conditions, circumstances, conduct, damages, loss, misrepresentations, fraud, concealment, deceit, acts, or omissions which were or could have been alleged; or (viii) any representation, communication, failure to communicate, disclosure, failure to disclose, act, omission, or conduct on the part of Pulte related to the property. This release does not extend or toll any statute of limitations periods for any claims unrelated to the building or warranty practices for which the payment was received pursuant to Paragraph 31 to that certain Stipulated Consent Decree and Final Judgment entered on [date], in the matter of *Office of the Attorney General, Dept. of Legal Affairs, State of Fla. v. PulteGroup, Inc. and Pulte Home Company, LLC* (the "Consent Decree"). This release does not affect statutory warranties, common law warranties, actions, causes of actions, suits, proceedings, debts, dues, contracts, judgments, damages, claims, liability and demands, in law or in equity unrelated to the building or warranty practices for which the payment was received pursuant to the Consent Decree, nor does it affect those arising after the date of the release or resulting from latent defects in the property as of the date of this release unrelated to the building or warranty practices for which the payment was received pursuant to Paragraph 31 of the Consent Decree.

It is expressly agreed and understood that this release is not intended to, nor does it, bar: (1) any claims made in accordance with paragraph 10 of the Consent Decree; (2) payments pursuant to paragraph 31 of the Consent Decree relating to Pulte's deposit retention practices; or (3) actions relating to Pulte's deposit retention practices.