

240 Canterbury

Offered at \$225,000

Over 2900 square feet

Gorgeous Greenbelt Lot and View - Backs to Park and Hike and Bike, Covered Patio

4 Bedrooms Plus Study, 2-1/2 Baths. Master and Study on Lower Level

Spacious Open Kitchen with Corian Counters/Gas Cooktop

Large Breakfast with Views, Formal Dining Room

Enormous Upstairs Game room

3rd Bay in Garage - Swing Entry

Lots of Storage, 7 Ceiling Fans - Upgraded Lighting Fixtures

Neutral Colors, Rocker Switches Throughout, Plantation Shutters

Lush Landscaping, Full Automatic Sprinkler System

Consider Buying a Used Home to Protect Your Future Binding Arbitration Can Be Devastating To New Homebuyers Buyer Beware

We would certainly love to sell our home, and are offering it well below the price we paid for it. As homeowners who have been negatively affected by the disastrous consequences of binding arbitration, we would also like to take this opportunity to educate and inform future homebuyers. A few facts regarding Binding Arbitration:

- The vast majority of home builders (85% nationally) will not sell you a home, for any price, unless you first agree contractually to binding arbitration.
- Arbitration strips you of your Constitutional right to sue your builder if they do not live up to their obligations. It also gives the builder a “home-court” advantage because arbitration firms are biased in favor of the companies they depend on for repeat business.
- Arbitration is conducted in private, not in public courts and is extremely expensive.
- Absolutely no records are kept from the “hearing” and there is no way to determine the number of arbitrations your builder has been involved in.
- Arbitrators need not even have legal education or training. In fact, many come directly from the industry they are arbitrating.
- Due to arbitration (and also due to the now defunct Texas Residential Construction Commission, TRCC), most attorneys will no longer take home defect cases on a contingency basis. The homeowner must therefore front tens of thousands of dollars to retain an attorney, which in the majority of cases are unrecoverable. It is also typical that costs for professional and expert services (such as engineers, appraisers, remodelers, etc.) may not be recovered in arbitration.

See <http://www.homeownersoftexas.org/ARBITRATION-mandatory-binding-unfair-and-everywhere.html> (or http://www.homeownersoftexas.org/Binding_Arbitration.pdf) for more information.

Buying a used home with a good track record can protect you from the pitfalls of binding arbitration required when purchasing a new home.

We would love for you to read our full story on the reverse page.

Ron and Carol Hemphill
240 Canterbury Drive
Austin, TX 78737
Carolh@austin.rr.com
rhemphill@austin.rr.com
www.hemphill.us/house

Our family moved from Round Rock and purchased our spec home in Belterra in June, 2005. Our goal in moving here was to be closer to work and to simplify our lives financially. As grandparents of five with our youngest soon to depart for college we believed this move to be the right thing for our family. This home was a considerable downsize in both price and square footage. It was not a first home for us, and in fact is the 8th home that we have owned either individually or as a married couple. We are experienced homeowners and have a good understanding of how a home should function and believed that we were knowledgeable regarding the process of purchasing and owning a home.

Our goal today and in the future is one of education. If we as veteran homebuyers and homeowners can be so ignorant of the devastating consequences of purchasing a new home in the State of Texas, then so can others. If you believe as we did that certainly a builder would "have to make things right" as we did you are unfortunately mistaken. When you purchase a home the builder will require you to sign a Binding Arbitration agreement that could most likely leave you in a situation similar to ours - financially and emotionally devastated.

Within less than two years of purchasing our home it became apparent that there were structural problems. The 2-1/2 years since that time have been absolute hell for our family. We will not go into great detail, but suffice it to say that we have numerous engineering reports documenting the defects including a report commissioned by State Farm Insurance deeming the home to be hazardous. All reports, estimates, appraisals, etc. are available for your inspection on our website at www.hemphill.us/house

We have endured the costly, useless and time consuming hurdles of the Texas Residential Construction Commission (TRCC) that builder's hid behind until recently. Fortunately because of efforts on the part of thousands of homeowners that found themselves in similar circumstances, the TRCC has been recently abolished, but too late for us. We spent months in search of an attorney that would take this case on a contingency basis. Most attorneys wanted a \$25,000 to \$50,000 retainer before even looking at the case, and most simply will no longer accept construction defect cases in Texas because the laws are so clearly in favor of the builders (see attached e-mail from one eminent Austin attorney). Those that would accept retainers offered a bleak assessment of the expected result.

We have experienced the catastrophic outcome of Binding Arbitration. We were awarded a total of \$7,000 (we have not cashed the check) for repairs. Our out-of-pocket expenses have well exceeded that \$7,000 in engineering fees alone. Even going to Binding Arbitration required us to pay \$4,000 of our own money (which was not reimbursed). We now have a home that has lost considerable value. It was suggested to us by our builder that we didn't need to disclose these issues but we certainly know that we cannot ethically or legally do so.

So here we are - victims of Binding Arbitration. We are not alone. We have met and spoken with many wonderful people who have experienced this as well. We have aging parents and siblings in nursing homes that need our assistance (and our presence) in Houston, but no way to move there. We have a son in college, but no access to the equity in our home so that he can continue to attend. We are not certain how long we will continue to pay a mortgage on a home that is difficult to sell and we may someday need to just walk away from it. In the meantime, we consider ourselves renters of our own home. In addition to the financial burdens this has placed on us, there is no way to begin to describe the emotional and physical consequences every member of our family has suffered. Were it not for our faith in our Savior Jesus Christ and the endless support of our friends and family, we do not know how we would have endured this experience. We live with an eternal perspective. This is not our home, but a temporary one. When adversity comes, we rest in His love and trust that He knows best. We realize that nothing can happen to us without His permission. If there is pain in our lives, we know it's because God deems it necessary for our growth or wishes to use our pain to minister to others and to educate homebuyers.

"Though the fig tree does not bud and there are no grapes on the vines, though the olive crop fails and the fields produce no food, though there are no sheep in the pen and no cattle in the stalls, yet I will rejoice in the LORD, I will be joyful in God my Savior" (Hab. 3:17-18).