



NEWS RELEASE

Media Contact: Art Chartrand
NHSCA
(913) 768-4700

TRADE ASSOCIATION CAUTIONS CONSUMERS PURCHASING CONTRACTS

Complaints and Investigation of New York Company
Elicit Response by National Home Service Contract Association

(OLATHE, KS – January 12, 2009) In today’s economy it has never been more important for consumers to verify the credibility and dependability of any company in which they invest or purchase services. The National Home Service Contract Association strongly advises when purchasing a home service contract, consumers should do their homework, solicit references from seasoned real estate professionals and, most importantly, carefully read contracts before signing.

“Many consumers do their shopping for services via the Internet,” Billy Jensen, President of the NHSCA said. “While this method can be convenient and a time-saver, consumers must remember that anyone, including unscrupulous business people and scam artists, can host a well-designed and convincing Web-site. Consumers must do their research.”

The National Home Service Contract Association (NHSCA) is a non-profit 501(c) (6) industry trade organization of member companies serving home service contract providers and consumer interests throughout the United States.

This caution comes in light of recent consumer complaints and ensuing investigation against National Home Protection which according to its Web-site, is a home service warranty company based out of New York City. Published reports contend that NHP was not properly licensed in the states in which it operated including Texas where the state’s attorney general has filed action against the company. NHP currently has an “unsatisfactory record” nationally with the Better Business Bureau.* NHP is not a member of the NHSCA which has published a Code of Ethics that requires its members to act in conformity with all applicable laws and regulations.

“We certainly do not like to see any home service provider cast in a bad light, or worse, not fulfilling their contractual obligations,” advises Billy Jensen, President of the NHSCA. “One of our missions is to fully inform and educate consumers as to what contracts do and can provide. Unfounded expectations only later lead to dissatisfaction which is not in anyone’s best interest.”

Home service contracts provide a variety of benefits to service, repair or replace specifically listed household systems and appliances for a set, annual fee, but do not cover everything. Additionally, they do not cover insurable losses from events such as fire, windstorm, vandalism or theft.

“If a dishwasher breaks down, the dishwasher repair is covered, but if a water leak from the dishwasher destroyed your ceiling, under state law, the homeowner must look to their insurance company for that loss,” Jensen clarified.

For more questions and answers on home service contracts visit the NHSCA website page www.homeservicecontract.org/faq.htm

* The Atlanta Journal-Constitution; 1/11/2009

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12710 Pflumm Rd., Ste. 200 Olathe, KS 66062
ph: 913-768-4700 Fax: 913-768-4900