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## **HOME BUYERS URGED TO CONSIDER IMPLICATIONS OF EPA'S BAN ON R-22 REFRIGERANT**

*National Home Service Contract Association Offers Advice  
To Avoid Costly Repairs and/or Replacement*

**(OLATHE, KS – November 17, 2009)** On January 1, 2010, the Environmental Protection Agency will place into effect a ban on the manufacture of new HVAC systems using R-22 refrigerant. This R-22 refrigerant, more commonly known as Freon®, is used in systems such as window air-conditioning units, dehumidifiers, heat pumps and central air conditioners.

The purpose of the effort is to reduce the amount of hydro chlorofluorocarbons (HCFCs) emitted into the environment. General phase out of R-22 refrigerant is currently estimated to be complete by the year 2020, at which time chemical manufacturers will no longer be able to produce R-22 to service existing air conditioners and heat pumps. After January 1, 2020, servicing of R-22-based systems will rely solely on recycled refrigerants.

It is important for homeowners to be aware that existing units using R-22 can continue to be serviced with R-22, but demands may begin to be greater than supply, causing increases in price and possibly shortages. New, high-energy efficient systems, will utilize new non-ozone-depleting refrigerants such as 410-A. Unfortunately, 410-A cannot be utilized in older systems which previously used R-22 without making some substantial and costly changes to system components.

Home service contracts provide service, repair or replacement for various items such as dishwashers, ovens, electrical and plumbing systems - and heating, ventilation and air conditioning systems (HVAC) – that become inoperable due to normal wear and tear during the contract period. Contracts do not provide coverage to upgrade units to meet new EPA rules, including 410-A, which could mean unexpected out-of-pocket costs to home sellers and buyers when replacement of an air conditioning system component is necessary. However, that expense would be far less with a home service contract in place.

“We are recommending home buyers order a specific HVAC inspection to determine the exact life expectancy of the system – that is in addition to a routine home inspection,” said Billy Jensen, Fidelity National Home Warranty and president of the National Home Service Contract Association. “If an older system is still in good condition, and could be operational for another 10 years, it may not be a problem. But if the system is more than 15 years old, and could potentially need expensive repairs or component replacement in the future, it’s probably best to negotiate with the seller.”

As always the NHSCA suggests homebuyers work with a licensed and seasoned real estate professional to assist them in navigating this issue, as well as ensuring their own understanding of the refrigerant issue and its potential impact on them if a service problem arises, including the specific coverage afforded by their home service contract.

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. In 2008 members paid out approximately \$630 million in benefits. For more about home service contracts, visit the NHSCA website page [www.homeservicecontract.org](http://www.homeservicecontract.org)

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