

**From:** "Jim Varco" <Jim@VarcoConsulting.com>  
**To:** CCTF Dcbs <Dcbs.Cctf@state.or.us>  
**Date:** Fri, Oct 28, 2005 5:55 PM  
**Subject:** FW: News articles and suggestions

I see I had the email address wrong before, so I am resending this message.  
If you got it the first time, please disregard this one.

Regards,

Jim Varco

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From: Jim Varco [mailto:Jim@VarcoConsulting.com]  
Sent: Friday, October 28, 2005 8:07  
To: 'cctf@state.or.us'  
Cc: Jeff Manning (jmanning@news.oregonian.com); Renee Haynes (RHaynes668@aol.com)  
Subject: News articles and suggestions

Dear Construction Claims Task Force,

I hope that you will read the attached news articles, and in particular the Oregonian story about British Columbia carefully and perhaps learn from what has proven to be a solution elsewhere to much the same problems you are trying to address. Instead of rushing out to find ways to protect the building industry, British Columbia put in place strong consumer protection and in the end the building industry benefited. I am asking that you invite a representative from the British Columbia Homeowner Protection Office to testify about the problems they faced and the solutions that were developed.

I would also like to add to my list of suggestions previously submitted by asking you to recommend to the legislature that the ability of a supplier or sub-contractor to place a lien on a home be eliminated. This option was given to the building industry years ago, and has harmed the industry and resulted in numerous claims.

As things stand now there is little incentive for a supplier or sub-contractor to make sure the builder that they are providing materials or service to is responsible or solvent, they know that they can always collect from the homeowner. If this option was not available, suppliers and sub-contractors would be more careful about the builders they work with, and the result would be the builders would be people who are responsible, solvent, and pay their bills.

Often the homeowner pays the builder for work or supplies, only to have to pay the supplier or sub-contractor directly later if the builder does not pay them. Often the sub-contractor is paid by the homeowner before a formal lien is placed on the property, to avoid the long term problems that the lien would cause them. The homeowners have no protection whatsoever in this area, even making a check out to both the builder and the sub-contractor can be circumvented.

The building industry has successfully created a situation where the suppliers and sub-contractors can take action directly against the homeowner through a lien, and at the same time it is extremely difficult for a homeowner to take any action against a supplier or sub-contractor to their builder.

The CCB will not even allow a complaint to be filed if you are not the party the contract is with.

If anyone is allowed to place a lien on a home, the only person that should be able to so is the person that the homeowner contracted directly with. If a supplier or sub-contractor has an issue with payment, they need to take

that up with whoever contracted with them, not the homeowner.

Regards,  
Jim Varco

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