

November 2006

## **Fair Trading Act**

### **Retail Home Sales Licence**

#### **Definition:**

Retail Home Sales Business means the business of selling or the offering for sale of manufactured homes, mobile homes or package homes, or any of the units or materials constituting those homes, to an individual for use as a residence.

A direct sales contract is a contract for goods or services worth more than \$25, and that is negotiated or concluded in person at a place other than the seller's place of business. The goods or services must be for personal or household use.

#### **Licensing Requirements:**

**PLEASE NOTE:** Failure to provide complete information will delay processing of your application and may result in a refund of your fees and closure of your file.

To get a licence as a retail home sales business, you must provide the following:

1. Completed [application](#) form.
2. Security in the amount of \$25,000\*. You may get this security in one of two ways:
  - [General Surety Bond](#)
  - [Cash Security Agreement](#) accompanied by
    - an [Irrevocable Letter of Credit](#), or
    - cash (including payment by bank draft, money order, certified cheque – all of these are payable to the Minister of Finance), or
    - a term deposit or other similar instrument in the name of the Minister of Finance, c/o Alberta Government Services, 3<sup>rd</sup> Floor, 10155 – 102 Street, Edmonton, Alberta, T5J 4L4, in trust for (name of licensee).

\* Note: The amount of security given is a minimum security requirement. The amount could increase at the discretion of the Director of Fair Trading. When setting the security amount, the Director can consider the following: the department's previous history with the business and its partners or directors, the business's financial history, and criminal convictions.

3. A licensing fee of \$120. Your cheque should be made payable to the Minister of Finance. If you are applying in person, you can also pay this fee using Visa, MasterCard or cash. This fee is for a two-year licence. Licences take effect the date they are issued.

The department will send you a notice and the appropriate form(s) before your licence needs to be renewed. Licence holders must notify Alberta Government Services in writing if their business licence address changes.

4. Copy of retail home sales contract
5. If direct selling, also attach a copy of contract with "Buyer's Right to Cancel" schedule attached.

### **Contract Requirements When Selling From Place Of Business:**

Every person who is engaged in the retail home sales business must ensure that its retail home sales contracts are in writing and set out

- a) the date on which the contract was entered into,
- b) the name and address of the seller and the buyer,
- c) the total amount payable by the buyer and the conditions of payment,
- d) a detailed description of the home, materials, appliances or fixtures to be supplied,
- e) if the buyer is required to provide a deposit, the amount of the deposit and the terms respecting what it is to be used for and the circumstances in which it is to be returned to the buyer,
- f) the delivery date,
- g) the completion date, if applicable
- h) the year of manufacture of the home,
- i) the name of the home's manufacturer, and
- j) the home's serial number and its CSA label number

A person who is engaged in the retail home sales business and who enters into a retail home sales contract with a buyer must provide a copy of the signed contract to the buyer

- (a) on or before the date that the work under the contract begins, or
- (b) within 10 days after the buyer signs the contract,

whichever occurs first.

### **Direct Selling Contract Requirements:**

Written sales contracts will be required. The contracts must include the following information:

- (a) the buyer's name and address
- (b) the seller's name, business address, telephone number and where applicable, fax number
- (c) the salesperson's name where applicable
- (d) the date, and the place where the sales contract is concluded
- (e) a description of the goods or services sufficient to identify them

- (f) a statement of cancellation rights that conforms with the requirements set out in the regulations and must (a) contain the words set out in either of the options shown in the Schedule, (b) show the heading in not less than 12 point bold type, (c) show the statement of 10-day cancellation rights in not less than 12 point type, and (d) show the remainder of the information in not less than 10-point type. Where this notice is not printed directly on the face of the sales contract there is to be a notice printed directly on the face of the contract in not less than 12 point bold type, indicating where in the contract the statement is printed.
- (g) the itemized prices of the goods or services or both
- (h) the total amount of the sales contract
- (i) the terms of payment
- (j) in the case of sales contracts for future delivery of goods, future provision of services or goods together with services, the delivery date for the goods, or start date for the services, or both
- (k) in the case of a sales contract for the future provision of services or goods together with services, the completion date for providing the services or the goods together with the services
- (l) where credit is extended
  - a statement of any security taken for payment, and
  - the disclosure statement required under the Fair Trading Act
- (m) where goods are taken in trade, a description of and the value of the trade-in
- (n) the signatures of buyer and seller
- (o) a detailed description of the home, materials, appliances or fixtures to be supplied,
- (p) if the buyer is required to provide a deposit, the amount of the deposit and the terms respecting what it is to be used for and the circumstances in which it is to be returned to the buyer,
- (q) the completion date, if applicable,
- (r) the year of manufacture of the home,
- (s) the name of the home's manufacturer, and
- (t) the home's serial number and its CSA label number.

### **Other Requirements:**

The deposit paid to a licensee under a retail home sales contract is the property of the person who paid it or on whose behalf it was paid and the licensee must not use it as collateral or appropriate or convert it except in accordance with the terms of the signed contract to the buyer.

### **Legislation**

[Fair Trading Act](#)

[Retail Home Sales Business Licensing Regulation](#)

[Direct Sales Cancellation and Exemption Regulation](#)

Copies of legislation can be obtained from the [Queen's Printer Bookstore](#) at:

Park Plaza  
 5 floor, 10611-98 Avenue  
 Edmonton, Alberta  
 T5K 2P7  
 Telephone: (780) 427-4952

**To call a Government of Alberta office toll free (in Alberta), dial 310-0000 and follow the instructions.**

## **SCHEDULE**

The following must appear in each statement of cancellation rights:

### **Buyer's Right to Cancel**

You may cancel this contract from the day you enter into the contract until 10 days after you receive a copy of the contract. You do not need a reason to cancel.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after the 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office.

If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.

To cancel, you must give notice of cancellation at the address in this contract. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax or by personal delivery.

## **Contract Requirements For Retail Homes Sales That Occur Away From Place Of Business**

- a) the buyer's name and address
- b) the seller's name, business address, telephone number and where applicable, fax number
- c) The salesperson's name where applicable
- d) the date, and the place where the sales contract is concluded
- e) a description of the goods or services sufficient to identify them
- f) a statement of cancellation rights that conforms with the requirements set out in the regulations and must:
  - I. Contain the words set out in either of the options shown in the schedule,
  - II. Show the heading in not less than 12 point bold type
  - III. Show the statement of 10-day cancellation rights in not less than 12 point bold type, and
  - IV. Show the remainder of the information in not less than 10 point type.  
Where this notice is not printed directly on the face of the sales contract there is to be a notice printed directly on the face of the contract in not less than 12 point bold type, indicating where in the contract the statement is printed.
  
- g) the itemized prices of the goods or services or both
- h) The total amount of the sales contract
- i) the terms of payment
- j) in the case of sales contracts for future delivery of goods, future provision of services or goods together with services, the delivery date for the goods, or commencement date for the services, or both
- k) in the case of a sales contract for future provision of services or goods together with services, the completion date for providing the services or the goods together with the services – if applicable
- l) Where credit is extended
  - A statement of any security taken for payment, and
  - The disclosure statement required under the fair trading act
  
- m) where goods are taken in trade, a description of and the value of the trade-in
- n) the signatures of buyer and seller
- o) a detailed description of the home, materials, appliances or fixtures to be supplied
- p) If the buyer is required to provide a deposit, the amount of the deposit and the terms respecting what it is to be used for and the circumstances in which it is to be returned to the buyer
- q) the year of manufacture of the home
- r) the name of the home's manufacturer, and
- s) the home's serial number and its CSA label number.

The disclosure statement requirements can be found in section 8(1) or 13(1) of the cost of credit disclosure regulation. If you have questions or concerns, please contact our licensing department.

**SEE ATTACHED SAMPLE CONTRACT**

**DIRECT SELLING CONTRACT OF RETAIL HOMES**

**b)** { **COMPANY LEGAL NAME**  
**O/A COMPANY TRADE NAME**  
 Company Address  
 Anywhere AB Postal Code  
 Phone No: (###) ###-#### Fax No: (###) ###-####

**a)** { Customer's Name: \_\_\_\_\_ Phone #: \_\_\_\_\_  
 Customer's Address: \_\_\_\_\_ Delivery Date: \_\_\_\_\_ } **j)**  
**r)** { \_\_\_\_\_ Commencement Date: \_\_\_\_\_ } **k)**  
 Year of Manufacture of Home: \_\_\_\_\_ Completion Date: \_\_\_\_\_ } **t)**  
**s)** { Name of Manufacturer: \_\_\_\_\_ Serial #: \_\_\_\_\_  
 CSA Label #: \_\_\_\_\_

**Description and Costs**

Detailed description & itemized prices of goods or services or both as well as detailed description of the home, materials, appliances, or fixtures to be supplied <small>e), g) &amp; o)</small>	SAMPLE		} <b>h)</b>	
	Subtotal	\$ _____		
	GST	\$ _____		
	Total	\$ _____		
	Trade-In	\$ _____		
	Deposit	\$ _____		
	Balance	\$ _____		
	Terms of Payment, Terms of Deposit and Description of Trade-In: _____			} <b>i), m) &amp; p)</b>

If the Buyer's Right to Cancel cannot be printed on the front of the contract, a notice must be printed in not less than 12 point BOLD indicating where on the contract it can be found

**Buyer's Right to Cancel**

Must at least be 12 Point BOLD

Show the statement of 10-day cancellation rights in not less than 12-point type and the remainder of the information in not less than 10-point type.

You may cancel this contract from the day you enter into the contract until 10 days after you receive a copy of the contract. You do not need a reason to cancel.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after the 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office.

If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.

To cancel, you must give notice of cancellation at the address in this contract. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax or by personal delivery.

} **f)**

**n)** { Customer's Signature: \_\_\_\_\_ Dated On: \_\_\_\_\_ } **d)**  
 Seller's Signature: \_\_\_\_\_ Salesperson's Name: \_\_\_\_\_ } **c)**  
(Print)

**d)** { Signed At: \_\_\_\_\_, Alberta  
(Physical Address)

The sample contract attached below shows what a form of contract may resemble if it has all the elements of the checklist. This sample is not provided for use as a contract or form of contract. This sample contract, any comments on your form of contract, or the issuance of a license are not substitutes for legal advice. Applicants and licensees are advised to consult a lawyer to ensure that their contracts comply with all applicable legislation, including all sections of the Fair Trading Act, and are suitable for their business needs.

## **Contract Requirements For Sale Of Retail Homes From Place Of Business**

- a)** the date on which the contract was entered into,
- b)** the name and address of the seller and the buyer,
- c)** the total amount payable by the buyer and the conditions of payment,
- d)** a detailed description of the home, materials, appliances or fixtures to be supplied,
- e)** If the buyer is required to provide a deposit, the amount of the deposit and the terms respecting what it is to be used for and the circumstances in which it is to be returned to the buyer,
- f)** the delivery date,
- g)** the completion date, if applicable
- h)** the year of manufacture of the home,
- i)** the name of the home's manufacturer, and
- j)** the home's serial number and its CSA label number

A person who is engaged in the retail home sales business and who enters into a retail home sales contract with a buyer must provide a copy of the signed contract to the buyer

- I. On or before the date that the work under the contract begins, or
  - II. Within 10 days after the buyer signs the contract,
- whichever occurs first.

**SEE SAMPLE CONTRACT ATTACHED**

**CONTRACT FOR THE SALE FROM PLACE OF BUSINESS**

b) { **COMPANY LEGAL NAME**  
**O/A COMPANY TRADE NAME**  
 Company Address  
 Anywhere AB Postal Code  
 Phone No: (###) ###-#### Fax No: (###) ###-####

b) { Customer's Name: \_\_\_\_\_ Phone #: \_\_\_\_\_ } f)  
 Customer's Address: \_\_\_\_\_ Delivery Date: \_\_\_\_\_ } g)  
 h) { Year Manufacturer of Home: \_\_\_\_\_ CSA Label #: \_\_\_\_\_ }  
 i) { Name of Manufacturer: \_\_\_\_\_ Serial #: \_\_\_\_\_ } j)

**Description and Costs**

Detailed description of home, materials, appliances or fixtures to be supplied (d)		Subtotal \$ _____ } GST \$ _____ } c) Total \$ _____ } & e) Deposit \$ _____ } Balance \$ _____ }
Terms of Payment and Terms of Deposit: _____ } c) & d)		

a) { Date Contract Entered Into: \_\_\_\_\_

Customer's Signature: \_\_\_\_\_

Seller's Signature: \_\_\_\_\_

**Copy of signed contract must be provided to the buyer on or before the date that the work under the contract begins OR within 10 days after the buyer signs the contract, whichever comes first.**

The sample contract attached above shows what a form of contract may resemble if it has all the elements of the checklist. This sample is not provided for use as a contract or form of contract. This sample contract, any comments on your form of contract, or the issuance of a licence are not substitutes for legal advice. Applicants and licensees are advised to consult a lawyer to ensure that their contracts comply with all applicable legislation, including all sections of the Fair Trading Act, and are suitable for their business needs.