

# Technical Bulletin

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## No. 31: FTC AMENDS HOME INSULATION RULE

The Federal Trade Commission (FTC) on November 28, 2005, enacted important amendments to FTC Rule 460 which governs home insulation. Rule 460 (the "R-value Rule") was introduced in 1980 to enforce disclosure requirements for thermal insulation products used in the residential market.

The amended R-Value Rule now automatically covers new types or forms of insulation sold in the residential market, whether or not the Rule specifically refers to them. The Rule does not cover pipe insulation, duct insulation (except for duct wrap), commercial or industrial insulation, or such products as storm windows and storm doors.

The R-value Rule now requires that manufacturers of all types of blown insulation indicate the product's initial installed thickness, its minimum settled thickness, and the resulting R-value on the bag label. Installers shall use the initial installed thickness information when applying loose-fill insulation to ensure that the appropriate amount of insulation has been installed. This change was made since some blown insulation products will settle after installation thus reducing the effective R-value.

Because both initial installed thickness and minimum settled thickness of loose-fill insulation products are now clearly stated on the bag label, building inspectors and homeowners are able to verify installed R-value easily and inexpensively if the installer installs attic rulers. Although the use of attic rulers is not mandated by the R-value Rule, ICAA recommends that its members use them. The International Energy Conservation Code requires the installation of attic rulers in new homes.

The R-value Rule applies to all blown insulation manufacturers as well as professional installers, retailers, and new home sellers. Specific disclosures must be made by manufacturers on products labels, bags, and fact sheets. In addition, installers and new home sellers must make disclosure on receipts and contracts. All parties must include this information in all literature and advertising including the Internet.

Breaking the R-value Rule is an unfair and deceptive act or practice or an unfair method of competition under section 5 of the FTC Act. Fines up to \$11,000 plus an adjustment for inflation can be levied each time the rule is broken.

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