

# CONSUMER ADVISORY

May 2010

By Attorney General Tom Miller

## Prevent Home Repair Scams and Disputes

Spring is here -- prime time for home improvement fraud and scams. We see it every year. Home repair needs pile up over the winter, and everyone is eager to make improvements. It's prime time to beware of scams and questionable contractors.

Home improvement fraud includes contractors who ask for substantial up-front payments, do little or no work, and never finish the job right. Other contractors offer a low price and then charge a lot more as the job progresses. Others are "fly-by-night" traveling con-artists working their roofing or paving or chimney-repair scams.

### Follow these tips to avoid being taken by home repair scams and disputes:

**1. Don't fall for the "knock-at-your-door" scam,** where someone shows up "out of the blue" and says your driveway needs repaving, or your house needs new shingles – and they "just happen to have materials left over" at a big discount! They are sure to take your money and run, without doing the job at all or doing it right.

**2. Check out contractors** before you sign a contract or pay any money. Request local *references* -- and check them out. Contact the Attorney General's Office to see if it has *complaints* (call 515-281-5926, or 888-777-4590.) Contact the Better Business Bureau (515-243-8137, or [www.bbb.org](http://www.bbb.org).) Check to see if a contractor has been sued by unsatisfied customers (or sued them) - go to [www.iowacourts.state.ia.us](http://www.iowacourts.state.ia.us).

**3. Get several written estimates, choose the best, and get a contract in writing.** Before any work begins, agree on a *written contract* detailing work to be done, the price, who's responsible for permits, and any other terms. Ask for a copy of the contractor's liability insurance certificate. Put start and completion dates in writing, and consequences if the contractor fails to meet them. (Example: the contract could be nullified if the contractor doesn't start on time.) It usually is safer and a better deal to obtain financing through your local bank or credit union, rather than a contractor. Note, if you sign a contract at a place other than the contractor's regular place of business – such as at your home – you usually have three business days to cancel the contract.

**4. Avoid paying large sums in advance.** If you need to make a partial advance payment for materials, make your check out to the supplier *and* the contractor. Insist on a "mechanic's lien waiver" in case the contractor fails to pay others for materials or labor.

For more information or to file a complaint, contact the Attorney General's Consumer Protection Division, 1305 East Walnut Street, Des Moines, Iowa 50319. The web site is [www.iowaAttorneyGeneral.gov](http://www.iowaAttorneyGeneral.gov). Call 515-281-5926, or toll-free at 888-777-4590.

Consumer Protection Division • Hoover Bldg. • Des Moines, IA 50319 • 515/281-5926 • 888/777-4590