

# CONSUMER ADVISORY

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## Home Repairs & Home Improvements

The foundation to a good home repair or home improvement project is a good contractor. While it's important to plan for the project, it's just as important to find a reputable contractor.

Before you search for a contractor, write down the work you want done. Be as thorough as possible, so a contractor is clear about the project and needed materials. Check with your city or county on required inspections and building permits.

**Check references.** Before you sign a contract or pay any money, ask around and also take time to talk with the contractor. Ask people you know and trust who they have hired for their projects and whether they were satisfied. Request local references from the contractor and contact them! Check on complaints with the Attorney General's Office (515-281-5926, or 888-777-4590) and check the Better Business Bureau's complaint database at [www.bbb.org](http://www.bbb.org). Be wary of a person or company not listed in the local telephone directory, and be wary of contractor who provides only a post office box address and not a street address.

To see if a contractor has been sued or filed a lawsuit, go to: [www.iowacourts.state.ia.us](http://www.iowacourts.state.ia.us). To verify a contractor's registration and bonding (which doesn't guarantee quality of work or payment of damages if a dispute arises with the contractor), go to: [www.iowaworkforce.org/labor](http://www.iowaworkforce.org/labor). Ask the contractor for a copy of their liability insurance certificate.

**Get several written estimates, or bids.** Be sure the written estimates include everything you want done, and not more than you want. While low bids are often what people look for, sometimes they can raise red flags. Is the low bidder really qualified for the job? Is the contractor cutting corners through materials or workmanship? Is there a risk the contractor will come back to you later with a story about "unforeseen circumstances" and demand more money?

**When you've selected a contractor, get the contract in writing, and read it before you sign it.** Before work begins, agree on a *written* contract detailing terms including the work to be done, the brand and/or the specifications of the materials to be used, the price, who is responsible for obtaining permits and scheduling inspections, that all change orders must be in writing, and establish who is responsible for cleanup. Put start and completion dates in writing, and the remedies if the contractor fails to meet them. (Example: the contract could be nullified if the contractor doesn't start on time.) If you're filing an insurance claim to cover the costs of damages, negotiate the details with your insurance company directly and not through a contractor. If you sign a contract somewhere other than the contractor's regular place of business, such as at your home, you have three business days to cancel the contract without penalty.

**Avoid paying large sums or the entire job up-front.** 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. You can search to see who may have claimed the right to place a lien on your house through the Iowa Secretary of State website at: [sos.iowa.gov/mnlr](http://sos.iowa.gov/mnlr) or by calling (515) 281-5204. Do not pay the contractor in full until you verify that all the parties listed on the website have been paid in full. Try to limit the amount you pay up-front.

**Compare your financing options.** It's usually safer and a better deal to obtain financing through your local bank or credit union, rather than a contractor. Do some loan shopping and compare loan terms, and don't let anyone pressure you into signing a loan document. Don't deed your property to anyone.

**Watch for contracting scams.** Don't fall for the contractor who shows up in an unmarked vehicle and claims your driveway needs repaving, or your house needs new shingles – and they "just happen to have materials left over" at a big discount! Just say no to a deal that is based on "extra materials," someone demanding an immediate decision, a contractor who only accepts cash, or a contractor who insists on full payment in advance.