

A written contract for your home improvement is your insurance that the job will be done correctly and on time.

The following tips will help you choose a reputable contractor and draft a home improvement contract that protects you.

Selecting a contractor:

- Decide *exactly* what work is to be done. Be specific.
- Select possible contractors on the basis of recommendations from friends, neighbors and family.
- Get precise written estimates from each contractor. Estimates should include a detailed list of materials and prices. Ask each contractor for a list of local references.
- Compare estimates and check references. Contact the Consumer Fraud Bureau to check the contractor's complaint history.
- Know what permits are needed. Even though a qualified contractor should be aware of necessary permits and inspections, you should know them too. Check with your local building and codes office before beginning a project.

For more information, call the Consumer Fraud Bureau at (845) 340-3260.

Drafting a contract:

Once you have chosen a contractor you are ready to draw up a contract. Remember, a contract is binding on *both* parties, so don't sign until you are entirely satisfied with the terms. You may wish to have your attorney review the contract before you sign.

- The contract should include the full name, physical address (not a post office box) and phone number of both contractor and homeowner.
- Be sure all work to be done is specified in writing. Any verbal changes must be added to the written contract.
- List all materials to be used in the project, including brand names and model numbers, if applicable, along with the price.
- Attach any professional plans to the contract.
- Include a completion schedule, stating estimated start and finish dates and reasons why there may be a delay. Watch for clauses such as, "Time is *not* of the essence in this contract."
- Never pay the full price upfront. Establish a payment schedule. This could include an initial down payment and subsequent incremental payments until work is completed. Withhold final payment until all the work is done and all required inspections and certificate of occupancy are finalized.

- Know where your payments are going. Contractors are required by state law *either* to put your payments into an escrow account used only for your job until it is substantially complete (contractors are legally required to disclose where money will be held in escrow) *or* to prove they have bond insurance to protect your money. Ask which option will be used before hiring the contractor.
- Ask for proof of payment to subcontractors – otherwise, subcontractors and suppliers can put a lien on your property if the contractor does not pay them.
- Include a statement of any guarantee or warranty for services or parts.
- Include a statement that the contractor will obtain all permits required by law.
- Get proof of insurance. If a worker is injured or damage occurs on your property, you could be held liable if the contractor does not have proper insurance.

Canceling a contract:

Once a home improvement contract is signed, you may cancel within three days. Cancellation must be in writing and should be sent by certified mail.

Within 10 days of receiving your notice of cancellation, the contractor must refund all payments made under the contract and notify you of a plan for any materials already delivered to the worksite.

Some warning signs that you may not be dealing with a reputable contractor:

- **HUGE DISCOUNTS:** No reputable contractor can make money doing a job at cost.
- **HIGH PRESSURE:** The contractor pressures you into an immediate decision or into agreeing to items you do not want.
- **DOOR-TO-DOOR SOLICITATION:** Reputable home-improvement contractors do not seek business this way. Be particularly alert to blacktoppers who appear at your door offering to pave your driveway with material left over from another job.
- **“SAMPLE” OFFERS:** The contractor offers you a discount to use your home as a model for others in the area.

Watch for the following warning signs once the contractor has begun work:

- **WORK STOPPAGE:** The work crew ceases work without apparent reason and does not return for several days.
- **SIGNING A COMPLETION CERTIFICATE:** The contractor asks you to sign a completion certificate before the job is finished.
- **PAYMENT TO AN INDIVIDUAL:** The contractor, salesman or subcontractor asks you to write a check payable to an individual and not the contractor’s corporate or business name.
- **CHANGES TO THE JOB:** Work is not being performed according to the specifications of the contract.

If you notice any of the above, contact the contractor at once or call the Ulster County Consumer Fraud Bureau at (845) 340-3260.

The Ulster County Consumer Fraud Bureau

Services we provide:

- Mediate consumer complaints against a variety of businesses including retail, credit and banking, debt collection, home improvement, telemarketing, mail order and Internet.
- Answer telephone and walk-in inquiries about consumer issues.
- Research companies and businesses that consumers are considering hiring.
- Provide performance reliability information on local and out-of-state businesses.
- Connect consumers to relevant social, government and/or legal services.
- Present up-to-date information to consumers, school and civic groups.
- Issue news bulletins on consumer affairs to Ulster County media organizations.

For more information, call the Ulster County Consumer Fraud Bureau at 845-340-3260.



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How to Select a Contractor and Draft a Contract

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