

Home Improvement Contracting: Nail Everything Down Before You Start!

The Office of Consumer Affairs and Business Regulation is engaged this spring in a public awareness campaign for its Home Improvement Contractor Program. In the following article, Undersecretary John Chapman writes about the importance for homeowners to be aware of the steps they should be taking before hiring a registered home improvement contractor.

Home Improvement Contracting: Nail Everything Down Before You Start!

By: John Chapman

Consumers spend millions each year on home improvement projects. A study released earlier this year by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University found that annual spending on home improvements is projected to increase more than eight percent by the end of 2016.

These projects can be a boost to the overall economy, and particularly to those men and women in construction, painting, plumbing, and other related trades. In many cases home improvement projects also increase the resale value of a home. However, far too often, unsuspecting homeowners are cheated by unscrupulous home improvement contractors, leaving them with unfinished or poorly done work and seemingly no recourse.



The state's Office of Consumer Affairs and Business Regulation registers home improvement contractors as part of the Home Improvement Contractor Law (HIC). The law was created in 1992 to protect consumers and regulate the practices of home improvement contractors. The law established a contractor registration requirement, an arbitration program for resolving disputes between homeowners and registered contractors and created a fund of last resort – the Guaranty Fund, to compensate eligible consumers up to \$10,000 for unpaid judgments against home improvement contractors. Before you hire a contractor to work on your home, make sure that contractor is registered with our Office. If you don't, and you then run into problems with an unregistered contractor, the law precludes your access to our Arbitration Program and the Guaranty Fund.

The law also requires written contracts for work estimated at more than \$1,000. However, our Office recommends that consumers have a written contract for any job, regardless of the cost. The law applies only to pre-existing, owner-occupied residences containing no more than four units, or to existing structures adjacent to the residence, like garages, gazebos, and/or decks. It does not apply to new construction, rental income property, or vacation homes.

Before hiring a contractor, consumers should get references and check the complaint history with our Office. Get a detailed, written contract with a total cost and don't allow any work to begin before the contract is signed and dated by both parties and you have a copy. All change orders should be in writing. Confirm that the contractor is registered in the same name as the one on the written contract and make sure the contractor has a Construction Supervisor License (CSL) if necessary for the job. It's important to understand that HIC registration is different from a Construction Supervisor License, which is issued and overseen by the state's Department of Public Safety. You should also check to determine if the work requires a building permit through your city or town. It's the responsibility of the contractor, not the homeowner, to obtain the permit. If the contractor asks you to obtain the permit, beware! You may not be eligible to access the Guaranty Fund if you obtain the permit on your own. Finally, never pay more than one-third down, unless there are special-order or custom-made materials, and it is reflected in the contract. A contractor cannot require the final payment until the job is completed to the satisfaction of both parties.

Most home improvement contractors are registered and licensed professionals who take pride in their work. However,

when consumers hire a contractor who is just looking to make some quick cash, knowing the HIC law and following the steps outlined can be the difference between having the home of their dreams and being stuck in a financial nightmare. For more tips and advice on hiring a contractor and information about the HIC law, visit our website (www.mass.gov/ocabr/hic-consumers.html) or contact our Office at (617) 973-8787 or (888) 283-3757, toll free, in MA only.

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