

A Consumer Guide Sheet for Finding Contractors

Plan Carefully.

Research the cost of materials and the amount of time a job should take.

Shop Around & Get Estimates.

Talk to others who have done similar projects or repairs & get at least three written estimates from different contractors.

Do not Automatically Go with the Lowest Bid.

Quality work and materials don't always come at the lowest price. If a bid is much lower than other bids, this can be a warning sign of a scam. Be especially wary of contractors who go door-to-door or pass out flyers offering you a discount if you hire them right away.

Check the License.

Check the contractor's license number and record. Every licensed Maryland contractor must prominently display his/ her license number from the Maryland Home Improvement Commission. Call MHIC @ 410-230-6309 to check license #.

Ask for Proof of Insurance.

Each licensed contractor must have at least \$50,000 of general liability insurance and a certificate of insurance to document that coverage.

Permits may be Required.

In Maryland, the contractor is responsible for all permits but different local jurisdictions have different rules about what kinds of work require a permit and how permits are issued. Visit your local jurisdiction's website or call your local government to learn more.

Stay in Touch.

Ask for contact information for the contractor's suppliers and subcontractors and find out if they have been paid on time and in full for past work.

WHAT TO LOOK FOR, WHAT TO ASK, AND HOW TO CHECK IF A CONTRACTOR IS A RESPONSIBLE AND REPUTABLE BUSINESS OWNER.

BEFORE YOU INVEST IN HOME IMPROVEMENTS AND REPAIRS.

Questions To Ask Contractors

1. Can I see your MHIC license card?
2. Can I see your general liability insurance certificate?
3. Where have you done projects similar to mine?
4. Can I get information for clients and homeowners you have worked with in my community?
5. Can I contact your suppliers?
6. What subcontractors will be part of your work on my home?
7. Do you know what permits you'll need to get for this job?
8. How can I reach you quickly if I have a problem with the work your firm is doing?
9. How have you handled contract disputes in the past?
10. Will you require me to sign a contract that mandates any disputes to go to arbitration?*
11. How will the project affect my household's daily routines?
12. Who will clean up the site after the work is done?
13. What percentage of your jobs are finished on time and on budget?

*Arbitration – bringing a business or contract dispute before a neutral third party for resolution. The arbitrator hears the evidence from the parties and makes a decision. In a binding arbitration, that decision is legally binding on the parties.

Content for Guide was made available by the Maryland Consumer Rights Coalition.

Content is from a comprehensive booklet entitled

"How to improve your home without losing your shirt" by Franz Schneiderman.

Rebuilding Together Baltimore compiled the booklet's content into this pamphlet to help homeowners navigate the often tricky process of finding contractors for home repairs.



The Maryland Consumer Rights Coalition (MCRC) is a nonprofit organization that advances and protects fairness and justice for Maryland consumers through research, education, and advocacy. For more information, see www.marylandconsumers.org

Rebuilding Together Baltimore is a non-profit organization that works to preserve homeownership and to revitalize communities. For more information, see www.rtbaltimore.org



Baltimore



Year after year, homeowners lose millions to contractors who do poor quality work, conduct unnecessary repairs or simply take their money and disappear. That's why it's important to look carefully for signs of a scam.

Scammers are often experienced con artists who know how to gain your trust and take you to the cleaners.

To protect yourself, you need to keep your wits about you, be skeptical of the pitches you hear, and proceed with caution. While there is no foolproof way to avoid becoming a victim, knowing some of the warning signs of scams and the ways to protect yourself can help safeguard your property and your savings.



Never Work with an Unlicensed Contractor.

Make sure your contractor has a valid MHIC licence number.

Avoid contractors who can't produce proof of a license issued by the Maryland Home Improvement Commission (MHIC).

Insist on proof that your contractor is licensed & insured.

Avoid contractors that say they are "licensed and bonded" - insurance firms don't issue bonds for home projects.

Be Skeptical of sweet deals and Special Offers.

Watch Out for Roving Con Artists, contractors that show up at your doorstep offering to fix your roof, clean your gutters or pave your driveway.

Don't trust contractors who ask you to pay for materials upfront.

Reject High-Pressure Tactics like "your furnace is about to blow". It is a good idea to get a second even a third opinion.

Never pay cash up-front.

Insist on a Written Contract.

Be wary of any contractor who asks you to waive your right to cancel a contract.

Don't finish paying for the job until the work is complete and you can inspect it.

Under Maryland law, a home improvement contractor can accept no more than 1/3 of the cost of a renovation project as a deposit and can accept no money before a contract is signed. But you are free to negotiate a smaller deposit and to negotiate the rest of the payment schedule. Reputable contractors generally don't demand full payment until the job is done, local inspection officials have approved the work, and the homeowner has inspected it.

Always remember that your home is your home— and you are in charge!

Resources



Maryland Home Improvement Commission
410-230-6309 1-888-218-5925 www.dllr.state.md.us/pq
500 N. Calvert Street Baltimore, MD 21202

Consumer Protection Division, Office of the Attorney General of Maryland
410-528-8662 1-888-743-0023 www.oag.state.md.us/consumer/offices.htm
200 St. Paul Street 16th Floor Baltimore, MD 21202



"How to Improve Your Home Without Losing Your Shirt."