



# CHOOSE WISELY HOME PROJECTS

Home ownership comes with maintenance, repair and improvement projects in all different shapes and sizes. Rushing projects or not doing a thorough search for contractors may lead to decisions that could have long term and expensive consequences.

It's important to **DO YOUR HOMEWORK!**

## Home Repair Scam Warning Signs

Beware of out-of-towners coming to your door to do work on your home - no matter how anxious you are to have work done!

They may want to work on your yard, roof, chimney, or paint your home. Pay attention if solicitors use any of the following tactics:

- Creates a false sense of urgency by talking too fast;
- Says the offer is good for one day only;
- Pressures you for an immediate decision;
- Only accepts cash; and
- Suggests you borrow money from a lender they know.

## AVOID & REPORT SCAMMERS

- Deal with local businesses;
- Check credentials;
- Don't allow solicitors inside your home;
- Don't pay in advance or with cash;
- Write down names and description of individuals;
- Write down vehicle descriptions and license plate numbers;
- Contact your local law enforcement agency; and
- Tell your neighbors and family about the incident.



## HOME IMPROVEMENT LOAN SCAM

Keep an eye out for contractors who pitch repairs that exceed your budget, only to turn around and offer you a loan through a lender they know.

Be cautious if you're rushed to sign numerous papers without being able to read the documents.



### EXPERTS RECOMMEND:

- Determine if the repair is vital;
- Check with your bank or credit union about other loan options (i.e. home equity loan); and
- Do not be pressured into signing a loan agreement.



## KEEP CALM AND DO YOUR HOMEWORK

- Search for contractors
- Interview contractors
- Get everything in writing
- Pay over the duration of the project.

## FINDING A CONTRACTOR

Before you begin a project, determine exactly what you want to have done. And then, familiarize yourself with the different types of contractors.



1. **General contractor** - manages all aspects of a project.
2. **Specialty contractor** - installs specific products (i.e. cabinets or bathroom fixtures).

There are various ways to find a contractor. Start with word of mouth. Speak with other homeowners, especially your family and friends. Check with professionals with whom you've worked and trust. And, finally review reputable websites.

## VERIFY A LICENSE WITH LARA

### Residential Builders & M&A Contractors

[www.mi.gov/builders](http://www.mi.gov/builders)

517-241-9288

### Mechanical, Plumbing, or Electrical Contractors

[w3.lara.state.mi.us/bccllicense](http://w3.lara.state.mi.us/bccllicense)

517-241-9313

# ASK QUESTIONS

1. What is your license number?
2. How long have you been in business?
3. How many projects like mine have you completed in the last year?
4. Will my project require a permit?
5. Will you use subcontractors?
6. Do you carry liability insurance?
7. Can you provide a written estimate?
8. May I have references of clients for whom you have done similar work?



***A license is required for projects valued at more than \$600.***

## CONTRACT

1. Guarantees must be in writing.
2. Include the contractor's address, phone number, and license number.
3. List start and completion dates.
4. Include a breakdown of costs and payment due dates.
5. List materials to be used, including brand, model, size, color, and patterns.
6. Review contract cancellation terms.
7. Determine who is responsible for permits and clean-up.



## COMPLAINTS

### Licensed Contractors

LARA  
Enforcement Division  
P.O. Box 30018  
Lansing, MI 48909  
517-241-9202  
[bcslic@mi.gov](mailto:bcslic@mi.gov)

### Unlicensed Contractors

Michigan Department of  
Attorney General  
Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
517-373-1140  
[www.mi.gov/agcomplaints](http://www.mi.gov/agcomplaints)

## PAYMENT TERMS

- Deposits should not be more than 1/3 of the total cost.
- Schedule payments as work progresses.
- Make final payment when satisfied.
- Do not pay in cash!



## RESOLVING DISPUTES

- Try to resolve the dispute directly with the contractor before making the final payment.
- Contact the local building inspector for assistance in resolving workmanship and code violations.
- If the contractor is not licensed and is required to be, contact your local law enforcement.
- File a written complaint with the appropriate agency (LARA or the Michigan Department of Attorney General - Consumer Protection Division).



Time invested in doing your homework **before** a home repair project is a valuable investment for you and your family.

An electronic copy of this handout is available through the QR code below or on our website at [www.mi.gov/sb](http://www.mi.gov/sb). While you're there, [schedule a presentation](#) for one of our other seminars.

For questions, contact Attorney General Bill Schuette's Consumer Programs team at 877-765-8388 or [agcp@mi.gov](mailto:agcp@mi.gov).

