

TIPS

Be Aware of These Contractor Scams and Warning Signs

DOOR-TO-DOOR SOLICITATIONS

HIGH PRESSURE SALES

SCARE TACTICS

DEMAND FOR CASH

UNUSUALLY LARGE DOWN PAYMENTS

VERBAL AGREEMENTS

EXTREMELY LOW BIDS

NO PERMANENT PLACE OF BUSINESS

NO CONTRACT

NO INSURANCE

INADEQUATE REFERENCES

SPECIAL DEALS

ADDITIONAL RESOURCES

FEDERAL EMERGENCY MANAGEMENT AGENCY

800.621.3362
www.fema.gov

BETTER BUSINESS BUREAU

703.276.0100
www.bbb.org

FEDERAL TRADE COMMISSION

202.326.2222
www.ftc.gov

STATE CONSUMER PROTECTION AGENCIES

844.872.4681
www.usa.gov/state-consumer

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

202.326.6000
www.naag.org

THIS VALUABLE INFORMATION
IS PROVIDED COURTESY OF:



NATIONAL ASSOCIATION OF STATE CONTRACTORS LICENSING AGENCIES

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PHOENIX, ARIZONA 85027

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W W W . N A S C L A . O R G

A CONSUMER'S GUIDE TO HIRING A LICENSED CONTRACTOR

Protect yourself before you build or remodel your house!

These **10** important tips can save you from substantial financial and emotional loss.



TOP 10 TIPS WHEN HIRING A CONTRACTOR

1 PLAN YOUR PROJECT

Detail out what you want done and who you will need to complete it. No two projects are the same and may require a specially licensed contractor.

2 GET 2-3 ESTIMATES

When comparing estimates from different contractors, don't just compare the bottom line cost. Look at the cost and quality of materials for each one. Be sure the estimate includes the total price, the materials to be used, a time table for payments and the expected timeline for completion of the work.

3 VERIFY THE CONTRACTOR'S LICENSE

Get proof that the contractor you may be working with is licensed or registered. Contact your state's regulatory agency to check the status of their license. Only work with contractors who are currently licensed or registered.

4 CHECK AT LEAST 3 REFERENCES

Ask your contractor for three written references. When speaking with the references ask if they were satisfied with the contractor's work and if the contractor kept to the schedule and contract terms.

5 REQUIRE A WRITTEN CONTRACT

The contract should be a detailed description of the work to be done, the material to be used, and the equipment to be installed. Be sure there is a schedule of payments and a timeline for when the work will be completed. Be sure you understand the contract before you sign it. Any changes that occur should be noted in writing.

6 DON'T MAKE A LARGE DOWN PAYMENT

The down payment you pay in order for work to begin should be minimal. Beware of a contractor who is asking for a large payment so that they can purchase the materials to begin your project.

7 MAKE PAYMENTS AS WORK IS COMPLETED

Set up a payment schedule that follows the work as it is being completed. Never pay for something that has not been completed. Do not pay for anything in cash.

8 MONITOR THE JOB IN PROGRESS

Check in regularly on the progress of the work. Any and all permits should be displayed by the contractor while the work is being done.

9 DON'T MAKE THE FINAL PAYMENT UNTIL THE JOB IS COMPLETE

Before making the final payment make sure that you are satisfied with the completed work. Verify that any and all liens have been released.

10 KEEP ALL PAPERWORK RELATED TO YOUR JOB

Be sure to keep a record of all documents that pertain to your project. This includes the contract, any written changes, all bills and invoices, receipts of payments, and all correspondence with your contractor. You should also include photos of the job in progress.

YOUR HOME IS A SERIOUS INVESTMENT.

TAKE IT SERIOUSLY.

ALWAYS HIRE A LICENSED CONTRACTOR.

