

Home Improvement Scams

Be Careful of Scams

Every year, the National Association of Attorneys General lists home improvement scams as one of the top 10 consumer problems.

Making any repairs or changes to your home can be a big investment, and you don't want to be a victim of scam or fraud.

In Arkansas, Arkansas law does not require home contractors to be licensed or bonded. This makes it difficult to check the reputation of a contractor before you hire one. The best way to select a contractor is to ask your friends and family for recommendations.

Choosing a Contractor

Here are top ten warning signs that a home contractor is trustworthy. If you see any of the following, you should try finding a different contractor.

- You cannot verify the name, address, telephone number or credentials of the remodeler.
- The salesperson tries to pressure you into signing a contract quickly.
- The salesperson tells you a special price is available only if you sign the contract today.
- The contractor will not give you references when you ask for them.
- The contractor gives you information that is out-of-date or no longer valid.
- You cannot verify the contractor's license or insurance information.
- The contractor will not tell you what the price of the job is until later or does not want to discuss it when you ask.
- You are asked to pay for the entire job in advance or you are asked to pay the salesperson in cash.
- You cannot find the company in the telephone book. The company is not listed with the local Better Business Bureau or with a local trade association.
- The contractor does not offer or let you know about your right to cancel the contract within 3 days.
- You are given vague answers to your questions or the contractor does not answer your questions.

If any of this happens, you should look for another contractor. You should also avoid contractors who do not listen to you and contractors that are difficult to contact.

Ask for references. This gives you an idea of the contractor's previous work. You should call the contractor's references. A trustworthy contractor will not try to hide those references and be happy that you called them.

What to Look for in a Contract

The most important thing to remember when you make repairs to your home is to have a written and signed contract before any work begins.

Make sure the following information is in your contract:

- Your name
- The name, address, and telephone number of the builder or contractor
- A complete description of the work to be done and the materials that will be used
- A section in the contract that requires written approval for **any** changes
- A statement that explains the builder's or contractor's guarantee on the work that he or she will perform
- A starting date and the date when work will be completed
- A complete description of what the job will cost, what the payment terms are, and the financing costs
- Your signature and the contractor's signature

You have a right to cancel the contract in 3 days if the contract was signed in your home. This right is protected under the Home Solicitation Sales Act.

During those 3 days, the contractor is not legally allowed to begin the work, and he is not allowed to deliver construction materials to your home.

The contractor should let you know about your right to cancel the contract. If the contractor does not let you know, then you should find another contractor to complete the work on your home.

*For more information, visit the Arkansas Attorney
General Office website at:
www.ag.arkansas.gov*

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