



Report Compliments of **Homes and Lifestyles of Colorado** - *Finding Your Place Called Home*

Denver Office: <http://www.DenverHomeLiving.com> - (303) 816-9199 Office

How To Choose A Contractor



Home improvements and repairs can cost thousands of dollars and are the subject of frequent complaints. When selecting a contractor:

- Get recommendations and references. Talk to friends, family and others who have used the contractor for similar work.
- Get at least three written estimates. Insist the contractors come to your home to evaluate what needs to be done. Be sure the estimates are based on the same work so that you can make meaningful comparisons.
- Check contractor complaint records. Your state or local consumer protection agency or Better Business Bureau can provide this information.
- Make sure the contractor meets licensing and registration requirements. Your state or local consumer protection agency can help you find out what these requirements are.
- Get the names of suppliers and ask if the contractor makes timely payments.

- Contact your local building inspection department to check for permit and inspection requirements. Be wary if the contractor asks you to get the permit, it could mean the firm is not licensed.
- Be sure your contractor is insured. They should have personal liability, property damage and worker's compensation insurance for workers and subcontractors. Also check with your insurance company to find out if you are covered for any injury or damage that might occur.
- Insist on a written contract that states exactly what work will be done, the quality of materials that will be used, warranties, timetables, the names of any subcontractors, the total price of the job, and the schedule of payments.
- Try to limit your down payment. Some states have laws limiting the amount of down payment required.
- Understand your payment options. Compare the cost of getting your own loan versus contractor financing.
- Don't make a final payment or sign a final release until you are satisfied with the work and know that subcontractors and suppliers have been paid. Some state laws allow unpaid subcontractors and suppliers to put a lien on your home for bills the contractor failed to pay.
- Pay by credit card when you can. You may have the right to withhold payment to the credit card company until problems are corrected.

Be especially cautious if the contractor:

- comes door-to-door or seeks you out;
- just happens to have material left over from a recent job;
- tells you the job will be a "demonstration";
- offers you discounts for finding other customers;
- quotes a price that's out of line with other estimates;
- pressures you for an immediate decision;
- offers an unusually long guarantee;
- can only be reached by leaving messages with an answering service;
- drives an unmarked van;
- has out-of state license plates; or
- asks you to pay for the entire job up front.

With most home improvements, federal law gives you three business days to cancel without penalty. Of course you would be liable for any benefit already received. State laws may also provide some protection. See Your Rights: 3-Day Cooling-Off Rule. And remember, if you finance home improvements with a home equity loan and don't make your payments, you could lose your home. See: Home Equity Loans.

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