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Helpful Information for Homeowners

The information provided is not meant to be a substitute for legal advice.

PAYING THE CONTRACTOR

- Never pay for the entire job in advance.
- Make a deposit when work begins to cover materials and startup costs. Pay by check to the company name and ALWAYS get a receipt.
- Make scheduled payments as work progresses.

RESOLVING PROBLEMS

If you have problems, you should first try to resolve them directly with the contractor before making the final payment. You may contact the local building inspector for assistance in resolving workmanship and code violations.

- Small Claims Court is another alternative if the dispute involves a sum within their jurisdiction.
- If your efforts to resolve the matter fail, or if you feel you have been the victim of fraud or deceit, you should contact the Bureau of Construction Codes, Residential Builders' Section to file a complaint. Additional information on the complaint process can be found [here](#).

GET IT IN WRITING

When you have selected a contractor, get all agreements in writing. A written agreement will make sure there are no misunderstandings about the work, or the terms of the contract.

- Make sure that you read all documents carefully. While it is not required, it is often a good idea to have an attorney review the contract and any other forms before you sign them, especially if a large sum of money is involved.
- Don't be afraid to ask questions about anything you do not understand. Ask for any changes or modifications before you sign the contract.

GET ESTIMATES

Get estimates from different contractors to compare prices. Remember the cost of materials and quality of materials will affect the bid. A low bid based on inferior materials may not be a bargain, so consider more than the price alone.

- Be sure the estimate specifies the total price, the terms of payment, the kind of materials to be used and the expected time it will take to complete the job.
- Be wary of special prices because of left over materials, other jobs in the neighborhood, or discounts if you agree to get other customers. They are often gimmicks used to get you to buy.

CHOOSING A BUILDER

Get the names of contractors from:

- Friends or neighbors who have had satisfactory work done.
- People at local home improvement centers, builder shows or open houses.
- Local Yellow Pages list licensed builders who do business in your community.
- Local homebuilders association. If the association is affiliated with the National Association of Home Builders, all members should be licensed by the state in order to be included on their roster.

You should be aware that all contractors offering to do work which totals \$600 or more in labor and materials must be licensed by the Department of Licensing and Regulatory Affairs. A Residential Builders license allows a contractor to build a complete residential structure and to do maintenance & alteration (remodeling) work on a residential structure. A Maintenance & Alteration license indicates that the holder has met requirements for one or more of the following trades:

- basement waterproofing
- carpentry
- concrete
- excavation
- house wrecking
- insulation
- masonry
- roofing
- screen and storm sash
- gutters
- siding
- swimming pools
- tile and marble

The trades for which a maintenance & alteration contractor is qualified to practice are listed on the license.

The holders state license must be displayed in the place of business and all contractors and their salespersons must carry a pocket card which you should ask to see. If they cannot show you a license, check the department's License Information database or call the Residential Builders' Section at 517-241-9309.

GET REFERENCES

Get references from the contractors you are considering.

- Ask for the name and address of previous customers. Check with those people who have had work done and ask if it was satisfactory.
- Be sure the contractor has a permanent business location and telephone number.
- Check the contractors credit reputation with local banks or suppliers.

THE CONTRACT

- The company name, address, phone number and the full name and license number of the builder/contractor and/or the salesperson.
- Detailed job specifications which include a description (brand names, colors, grades, styles and model numbers) of materials, a list of all costs spelled out clearly, and any architects or engineers drawings which are required.
- Start and completion dates. These should allow for any reasonable delays but should include a clause allowing you to withhold payment if work slows down for no apparent reason.
- A statement that all required building permits and variances will be obtained by the contractor before work is begun. The building permit is for your protection. An inspector will make sure the finished job meets all codes and safety standards, and makes the contractor responsible for corrections.
- A guarantee that the contractor carry liability insurance and has Workers Compensation coverage, in case of accidents on the job.
- A statement of warranty on the work. Be sure it tells if labor and materials are guaranteed, and for how long. A statement that cleanup will be done by the contractor should be allowed.
- A provision for credits if there are large amounts of materials left over. On the other hand, you should be prepared to pay for extra materials if the project takes more than anticipated. Your builder should provide you with a description of these extra costs in writing, so that there are no surprises on your final bill.
- The terms of payment should be clearly stated in the contract.
- A right to cancel clause. If you are solicited and have signed the contract in your home, you have three days to cancel the contract if you change your mind. You must send the contractor a registered letter stating you wish to cancel.
- If everything in the agreement is satisfactory, both the contractor and the homeowner must sign and date the contract. Any changes or revisions must be dated and initialed by both parties.

- Be sure that the contractor gives you a copy of the contract, with any changes noted.



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