



## Avoid the Home Wrecker: Home Improvement & Repair

Finding a good contractor is crucial to making sure you get the job done right.

- **Make your plan clear.** Before looking for a contractor, think about your project. Consider writing down a proposed project description, including the quality of materials that you expect the contractor to use, so a contractor is clear about the scope of project and type of materials. Check with your city or county on required inspections and building permits.
- **Get estimates, but beware of low bids.** Be sure a written estimate reflects your vision of the project. While we all like to save money, sometimes a low bid can signal a contractor cutting corners in materials or workmanship. If a contractor provides an estimate that's far below others, ask why it's so low.
- **Check references before you sign a contract or make a down payment.** The best kind of reference comes from someone you know and trust. Ask who they have hired for their projects and whether they were satisfied. Ask the contractor you're thinking of hiring for local references and contact them. Check for complaints filed with the Consumer Protection Division (515-281-5926 or 888-777-4590) and check the Better Business Bureau's complaint database at [www.bbb.org](http://www.bbb.org). It's a red flag if a contractor is not listed in the local telephone directory or provides only a post office box and not a street address.

To see if a contractor has been sued or filed a lawsuit, go to: [www.iowacourts.state.ia.us](http://www.iowacourts.state.ia.us). To verify a contractor's registration and bonding (which does not guarantee quality of work or payment of damages if a dispute arises with the contractor), go to: [www.iowaworkforce.org/labor](http://www.iowaworkforce.org/labor). Ask the contractor for a copy of a liability insurance certificate.

- **Get the contract in writing.** Before work begins, agree on a written contract. Include the work to be done, the brand and/or the specifications of the materials to be used, the price, who is responsible for obtaining permits and scheduling inspections, that all change orders must be in writing, and establish who is responsible for cleanup. Include start and completion dates,

and the remedies if the contractor fails to meet them. (Example: the contract could be nullified if the contractor doesn't start on time.) If you're filing an insurance claim to cover the costs of damages, negotiate the details of the repairs with your insurance company directly and not through a contractor. If you sign a contract somewhere other than the contractor's regular place of business, such as at your home, you have three business days to cancel the contract without penalty. Most importantly, read the contract before you sign it.

- **Financing?** Look into financing through local banks or credit unions rather than a contractor. Compare loan terms, and don't let anyone pressure you into signing a loan document. Do not deed your property to anyone.
- **Limit up-front payments.** If a contractor requires a partial advance payment for materials, make your check out to the supplier *and* the contractor. Insist on a "mechanic's lien waiver" in case the contractor fails to pay others for materials or labor. You can search to see who may have claimed the right to place a lien on your house through the Iowa Secretary of State website at: [sos.iowa.gov/mnlr](http://sos.iowa.gov/mnlr) or by calling (515) 281-5204. Do not pay the contractor in full until you verify that all the parties listed on the website have been paid in full. Try to limit the amount you pay up-front.
- **Avoid contracting scams.** A contractor who shows up at your door in an unmarked vehicle and claims he "happens to have materials left over" at a big discount is probably someone to avoid. Stay away from those who offer "extra materials," someone demanding an immediate decision, a contractor who only accepts cash, or a contractor who insists on full payment in advance.

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