



IOWA DEPARTMENT OF JUSTICE  
OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION

Selecting a home improvement contractor following a disaster is not an easy task. Our office has put together this checklist to assist you in reducing your risk of losing money to a disreputable or even overworked contractor. The foundation to a good home repair is a good contractor. The cheapest price isn't always the best choice so it's important to find a reputable contractor.

IS THE CONTRACTOR FROM IOWA OR A BORDERING STATE?

Don't fall for the contractor who shows up in an unmarked vehicle or has out-of-state license plates and hands you a business card. An old trick used by storm chasing contractors is to blow into town after a disaster, get business cards printed in one hour, and use a temporary address (sometimes it is a local hotel or a post office box) so it appears they are from Iowa when they are not! If you need follow-up or warranty work from an out-of-state contractor, you may not be able to get in touch with them again. Ask people you know and trust who have used the contractor for their projects and whether the work has been started or completed to their satisfaction.

WATCH OUT FOR INSURANCE SCAMS!

If you're filing an insurance claim to cover the costs of storm damage, negotiate the details with your insurance company directly and not through a contractor. You, as the homeowner, need to be involved in the entire process from claim, to project completion, to payment. **DO NOT PAY THE CONTRACTOR UNTIL THE JOB IS COMPLETED TO YOUR SATISFACTION.** Reputable contractors have established lines of credit that allow them to purchase and pay for materials once the job is completed. Once you pay an out-of-state contractor, they may lose the incentive to return to do the job. It becomes easier and more profitable to move on to the next job and get paid before moving on to the next town. **It is extremely difficult to get your money back from any contractor!**

DOES THIS CONTRACTOR HAVE A HISTORY OF BAD BUSINESS PRACTICES?

Email the Iowa Attorney General at [consumer@ag.iowa.gov](mailto:consumer@ag.iowa.gov) or call 515-281-5926 and check the Better Business Bureau complaint database at [www.bbb.org](http://www.bbb.org) to see whether the contractor you're considering has had complaints in the past. To see if a contractor has been sued or has filed a lawsuit, search Iowa Courts Online (see attachment).

IS THE CONTRACTOR REGISTERED?

Every contractor who does business in Iowa is required to register with Iowa Workforce Development (IWD) and out-of-state contractors are required to post a bond. Although a contractor's registration and bonding doesn't guarantee the quality of work or payment of damages if a dispute arises with the contractor, it may help you determine the professionalism and longevity of a contractor. Verify a contractor's registration and bonding at [www.contractor.iowa.gov](http://www.contractor.iowa.gov) or 515-242-5871 to search for any contractor you're considering and ask the contractor for a copy of their liability insurance certificate.

DOES THE CONTRACTOR HAVE NO RECORD AT ALL?

If there is NO information about the contractor when you research the Iowa Attorney General, Better Business, Bureau, Iowa Courts Online, and Iowa Workforce Development, that is a RED

FLAG because an established contractor will be registered with Iowa Workforce Development and have a verifiable history with the Better Business Bureau.

- GET AT LEAST ONE OTHER ESTIMATE SO YOU KNOW THE PRICE IS FAIR.
- GET ALL OF THE CONTRACT DETAILS IN WRITING!
  - 1) details the work to be done,
  - 2) the brand and specifications of the materials to be used,
  - 3) the price,
  - 4) who is responsible for obtaining building permits and scheduling inspections,
  - 5) language stating that all change orders must be in writing,
  - 6) who is responsible for cleanup,
  - 7) start date, and completion date (as well as the remedies if the contractor fails to meet them, such as the contract could be nullified if the contractor doesn't start on time, that frees you to contract with someone else without paying a penalty for canceling the contract.)
- READ THE CONTRACT (front and back) BEFORE YOU SIGN IT.
- YOU HAVE THREE BUSINESS DAYS TO CANCEL THE CONTRACT.

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. If you exercise your right to cancel, you must send a cancellation notice by certified mail and it is best to request a return receipt to prove the date you cancelled.
- DO NOT PAY THE CONTRACTOR UNTIL THE JOB IS COMPLETED TO YOUR SATISFACTION. Reputable contractors have established lines of credit that allow them to purchase materials and pay once the job is completed. Once a disputable contractor is paid, they lose all incentive to return to do the job. It becomes easier and more profitable to move on to the next job and get paid before moving out-of-town. **It is extremely difficult to get your money back from a disputable contractor!**
- INSIST ON A MECHANIC'S LIEN WAIVER WHEN YOU MAKE YOUR FINAL PAYMENT (see attached) as the waiver will protect the homeowner in case the contractor fails to pay others for materials or labor. The Iowa Secretary of State will notify you by mail if a contractor has placed a mechanic's lien on your home. A mechanic's lien simply secures an interest in your property on behalf of the contractor for 2 years and 90 days. It is much easier to resolve a potential dispute by asking the contractor to sign the waiver as you make your final payment.
- THINKING ABOUT FINANCING?

Compare your financing options. It's usually safer and a better deal to obtain financing through your local bank or credit union, rather than a contractor. Do some loan shopping and compare loan terms. Don't let anyone pressure you into signing a loan document and never deed your property to anyone.

We hope you find this information helpful. If you have questions or need further assistance, please send an email to [Susan.Kerr@AG.Iowa.gov](mailto:Susan.Kerr@AG.Iowa.gov) or call 515-281-6414 to leave me a message.

Thank you for reaching out to Attorney General Tom Miller's office.

## **Iowa Courts Online**

Since 1998, the Iowa Judicial Branch has maintained a statewide electronic docket. The docket is a summary of basic case information such as case types, case numbers, an index of filings and orders for each case, names of litigants and attorneys, criminal charges, payments of fines, fees, and child support, judgments and liens. The judicial branch does not have complete documents in electronic format.

[Iowa Courts Online](#) has information from civil, criminal, probate, and traffic courts. This may be helpful when choosing a home improvement contractor to see if the company or individual has been sued in civil court. A search can be made by the company name or the owner's name.

Civil cases typically fall into three major categories:

1. Family law (divorce and child support and custody);
2. Tort law (personal injury, property damage, or product liability);
3. Contract law (written and oral agreements).

Searches for home improvement contracts will generally be categorized as contract law. Small claims court may be used for money claims up to \$6,500. Small claims court procedures are designed for people to pursue their claims without an attorney's help, although representation by an attorney in small claims court is also allowed. District court is designed for claims over \$6,500 and generally requires representation by a private attorney.

### **Helpful Links**

[Iowa Courts Online Guide](#)

[Iowa Courts Online Key](#)

[Guide to Iowa's Court System](#)

# RELEASE AND WAIVER OF LIEN

STATE OF IOWA, COUNTY OF \_\_\_\_\_

\_\_\_\_\_ OF \_\_\_\_\_  
(Contractor or Agent Name) (Company Name)

That said company or person, performed work, labor, services and/or furnished material  
in the repair or improvement of realty at \_\_\_\_\_  
(Contract site address & Property owner's phone number)

\_\_\_\_\_  
(Description of work done)

That said company, or person, has been paid \$ \_\_\_\_\_ pursuant to the terms and  
conditions of its contract with \_\_\_\_\_ including labor,  
(Property owner's name)

material and equipment furnished by it through \_\_\_\_\_, 20 \_\_\_\_ the receipt and

sufficiency of which is hereby acknowledged. The undersigned so hereby waive all liens and claims  
which said company, or person, may have against the above property through the aforesaid date, and  
further, the undersigned represents that no other person or party has any right to a lien on the above  
property on account of any work performed or materials furnished to said company, or person, under its  
contract. This payment represents FULL payment of the contract.

Company \_\_\_\_\_

Federal ID or SSN # \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_

Title \_\_\_\_\_

Phone \_\_\_\_\_

Mechanic's Notice and Lien Registry (MNL)  
# \_\_\_\_\_

**This form needs to be signed by the general contractor before you make your final payment!**

You may find more information about a mechanic's lien and filing instructions at the Iowa Secretary of  
State Mechanic's Notice and Lien Registry (MNL) website at:  
<https://sos.iowa.gov/mnlr/account/signin.aspx>, or call (888) 767-8683.