Choosing a Good Contractor

- Do your research – Know what work you want done and have a realistic budget.
- Get referrals – Talk to friends and family members. Get their recommendations.
- Take your time – Look for a well-established contractor with a permanent business location and a good reputation in the community. Don’t be rushed into a decision.

Talking to Contractors

- How long have they been in business?
- How many similar projects have they completed in the last year?
- Get names, addresses and phone numbers of past clients as references.
- Do they have personal liability, worker’s compensation, and property damage insurance?
- Will they use subcontractors? Who? Do they have insurance?
- Get at least two written estimates from different contractors. Compare costs and materials.
- Carefully compare written estimates. How long will the project take? Who are the suppliers? What quality of materials will be used?

Checking References

- Were they satisfied with the work performed by the contractor?
- Was the project completed on time?
- Did the contractor keep them informed and provide documentation of inspections and permits?
- Were there any problems? How were they resolved?
- Did workers show up on time? Did they clean up after finishing the job?
- Would they recommend the contractor? Would they use the contractor’s services again?

Red Flags

Watch out for these. They could be a sign of future problems with a contractor.

- Door-to-door solicitation.
- Contractor creates a sense of urgency and presses for an immediate decision.
- Requires payment for the entire job up front.
- Only accepts cash payment.
- Fails to obtain building permit.
- Not listed in telephone directory, no permanent business address, only an answering service.
- Contractor offers to set up financing or refers to a lender.

Get A Written Contract

Indiana has a Home Improvement Contract law that requires residential home improvement contracts in excess of $150 to be in writing and to contain certain terms. Under this law, the contractor is called the Home Improvement Supplier. The residential homeowner is called the Consumer.

The contract must contain the following minimum terms:

- Your name and address.
- The supplier’s name and address.
- The name and phone number of who to call for any problems or questions.
- The date you were given the contract and any time limit for you to accept it.

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• A detailed description of the proposed work or a statement that specifications will be given before work begins and are subject to your separate written and dated approval.
• The approximate dates when the work will start and finish and anything of importance that would affect the completion date.
• The contract price.
• A place for both you and the supplier to sign with the names clearly printed below.

Payment Issues
• Avoid paying cash.
• Never pay for the entire job before the work begins.
• Don’t pay more than 1/3 of the entire cost as a down payment.
• Link remaining payments to the completion of certain work, subject to required inspections and payment to subcontractors.
• Reserve final payment until the job and final inspection are completed.
• If the contractor tells you they need more money to finish the job, resolve the issue immediately.

Home Improvement Loans
Make sure you receive the following forms:

Truth in Lending Disclosure Form – The true interest rate, the amount you’re borrowing, all the finance charges, the total of all payments, amount of payments, date when payments are due.

Notice of Right to Cancel – Gives you three business days to cancel the loan agreement.

• If these forms are wrong or not given, you may have up to 3 years to cancel. You should get legal advice if you do.

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