

Why you should hire a *Registered Home Improvement Contractor*

Under Massachusetts law, anyone contracting to perform more than \$1,000 of construction work on a 1-4 family, pre-existing, owner-occupied, residential building must have a Home Improvement Contractor (HIC) Registration issued by the Office of Consumer Affairs and Business Regulation (OCABR).

Arbitration Program

In the event of a dispute, homeowners who hire *registered* home improvement contractors can initiate arbitration proceedings against their contractors through the OCABR HIC Arbitration Program. Arbitration is an inexpensive and informal alternative to a court proceeding.

Guaranty Fund

If a homeowner obtains a court judgment or a confirmed arbitration award against a *registered* home improvement contractor, but she is unable to collect, she can access OCABR's HIC Guaranty Fund. The Guaranty Fund is a fund of last resort that will reimburse homeowners up to \$10,000 of their actual losses sustained during a project undertaken by a *registered* home improvement contractor.

Unregistered Contractors

Homeowners who hire *unregistered* contractors cannot use OCABR's arbitration program or access the Guaranty Fund.

Before Hiring a Contractor

- Research how a project like yours is typically done.
- Learn the vocabulary (e.g. “change order” or “ceiling joist”).
- Think about design features and the quality of materials you want to use.
- Talk to your local building department about whether your project needs any building-related permits. Make sure your contractor obtains those permits.



Choosing a Contractor

- Interview several contractors.
- Ask for references, call the references, and ask to see the work.
- Be wary of a contractor whose bid seems low. Ask why it's low.
- Trust your instincts. Do not hire anyone with whom you are uncomfortable.

To check whether a contractor has an HIC Registration, visit: mass.gov/homeimprovement

Reviewing Contracts

Every contract for home improvement work over \$1,000 must be in writing and is required to have certain terms, including:

- The contractor's HIC registration number & registered business name
- The total price of the project
- A detailed description of the work
- A detailed payment schedule
- Signatures and dates

Ask your contractor to include as many details as possible in the contract. Read your contract carefully before signing.

It is your contractor's obligation to obtain all necessary permits. Homeowners who obtain their own permits generally cannot access the HIC Guaranty Fund.

Tips on Payment Terms

- A contract cannot demand more than 1/3 of the contract price as a deposit unless the project involves special order or custom made materials.
- A contract cannot require the final payment before the project is complete to your satisfaction.
- To avoid situations where payments exceed the work performed, you should structure payments against performance benchmarks.

Checklist for Hiring A Home Improvement Contractor

- Familiarize yourself with your project idea and related construction terminology.
- Think about specific design and materials.
- For accurate estimates, clearly describe the work on a specification sheet and provide copies to contractors.
- Interview at least three contractors.
- Check license and HIC registration.
- Check complaint history.
- Check and confirm references.
- Get the contractor's insurance information. Call insurance company to verify.
- Insist on a written detailed contract, including a payment and work schedule.
- Do not pay more than 1/3 of the contract price before work begins unless special order materials are needed.
- Have both parties sign and date the contract before any work begins.
- Have the contractor apply for building permits and ensure the permit is on-site before work begins.
- Check with your local building department about any job-specific inspections.
- Put any change orders in writing.
- Check the work site on a daily basis and record progress and changes.
- Make final payment **ONLY** after the work is completed to your satisfaction and as outlined in the contract.

For more information on the Home Improvement Contractor law and programs, visit www.mass.gov/consumer or call our Consumer Hotline at (617) 973-8787 or toll-free in Massachusetts at (888) 283-3757.



Licenses

Depending on the circumstances of your project, your contractor may need additional licenses.

- **Construction Supervisor License**

Needed: to perform and supervise most construction projects & to apply for building permits.

Issued by: Dept. of Public Safety
617-727-3200 or mass.gov/dps

- **Plumbing, electrical, or other professional trade license**

Needed: to perform specialized trade work & to apply for related permits.

Issued by: Div. of Professional Licensure
617-727-3074 or mass.gov/dpl

- **Lead-Safe Renovation Contractor License**

Needed: to perform renovation work involving the disturbance of a painted surface in a home constructed before 1978.

Issued by: Dept. of Labor Standards
617-626-6960 or mass.gov/leadsafe

During the Construction

- Don't go on vacation! Observe the work as it is being performed.
- Obtain all change orders in writing.
- Avoid making payments ahead of schedule.
- Assert yourself early if you are dissatisfied with the work.
- Ask questions as necessary.

Sample Questions to Ask Contractors

- How long have you been working as a contractor?
- May I see your license(s) and registration?
- On average, how many jobs like mine do you do in a year?
- Do you have any projects ongoing now that I can see? If not, do you have references I can contact about work you have performed?
- Will you be working on my project personally or will you be hiring subcontractors?
- Will you be working on my project full time? Will you be working on any other projects at the same time?
- What are some typical hidden conditions that you might discover on a project like this and how much could they cost?
- May I have proof of your insurance before the project starts?

**For more information
visit our website**

mass.gov/homeimprovement

or call the

OCABR Consumer Hotline

888-283-3757



How to Hire a Contractor



*A guide to doing your
homework before you do
your home work*



Deval L. Patrick, Governor

Barbara Anthony, Undersecretary