

## 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](https://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](http://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](http://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](http://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](http://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](http://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