

37 TIPS for Homeowners to Avoid Being Scammed

by Contractors, Sub-Contractors and Handymen/women

1. **DO NOT** pay in cash. Ever.
2. **DO NOT** hire someone who demands payments in cash.
3. **DO NOT** hire someone who solicits door-to-door or via telephone.
4. **DO NOT** hire someone who claims they have leftover material from another job at a cheaper price.
5. **DO NOT** hire someone who drives vehicles with out-of-state license plates.
6. **DO NOT** hire someone who gives you a low price because your home will be a demonstration.
7. **DO NOT** hire a company without first checking that the contractor's license is in good standing in the licensing state.
8. **DO NOT** use a contractor who can start the job "tomorrow." Great contractors are busy and need time to stage and schedule your project.
9. **DO NOT** hire someone who uses forceful sales techniques, special "today-only" deals, or uses the threat that some defect in your house is a safety hazard. You should never feel rushed or pressured into making an immediate decision.
10. **DO NOT** hire someone who wants to do most or all the work on weekends and after hours.
11. **DO NOT** hire someone who gives you a price that sounds "too good to be true."
12. **DO NOT** hire someone who is reluctant to give an up-front price in writing or provide a written contract. They may increase the price after the project is under way or completed.
13. **DO NOT** hire someone just because they offer exceptionally long guarantees or warranties.
14. **DO NOT** hire someone that does not have a verifiable business license, phone number and address — not just a P.O. Box.
15. **DO NOT** hire someone who is unable to provide you with proof of both licensing and insurance coverage, both General Liability Insurance and Worker's Compensation Insurance. (Unlicensed usually means uninsured).
16. **DO NOT** hire someone who has employees but no Worker's Compensation Policy.
17. **DO NOT** hire someone who asks you to get the building permit.
18. **DO NOT** hire someone who is unwilling or are unable to obtain a building permit.
19. **DO NOT** hire someone who cannot give you references and addresses of their past projects.
20. **DO NOT** hire someone who asks you to "deed" or "transfer title" to your property or sign a promissory note secured by your home.
21. **DO NOT** hire someone who provides a credential or reference that cannot be verified.
22. **DO NOT** hire someone who requires large deposits or the entire cost up front; verify what the maximum down payment allowed by your state law is.
23. **DO NOT** let the progress payments get ahead of the work.
24. **DO NOT** hire someone just because they are a "nice" person.
25. **DO NOT** agree to financing through your contractor without shopping around and comparing loan terms.
26. **DO NOT** ever sign a document you haven't read or that has blank spaces to be filled in after you sign.
27. **DO NOT** ever pay a contractor the balance of the job, or sign a completion certificate, until all work has been finished. Only make the final payment when you are satisfied with the job.



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28. **DO** hire only established licensed contractors, sub-contractors and/or remodeling handymen for whom you are able to verify a license at your state's "BOARD FOR LICENSING CONTRACTORS" web site. You will need their contractor's license number to do this.
29. **DO** check to see if your state has a "Problem Contractor" list or "Buyer Beware" list
30. **DO** be aware that your contractor must notify you of your right to cancel within three (3) days of signing a contract (laws vary from state to state).
31. **DO** research your potential contractor's name online for additional reviews. However, it is important to consider the source and the number of complaints.
32. **DO** compare at least three bids. Get references from each bidder and take the time to check out their work.
33. **DO** make sure the details of the project and expectations are spelled out and signed in a written contract (including project materials, clean-up, debris removal, site security, warranty info, etc.).
34. **DO** find out from your local building department whether your project needs a building permit. Verify the person or company has pulled a building permit.
35. **DO** make sure there is a time-table for each phase of your project. The corresponding payment schedule should also be spelled out in the contract.
36. **DO** keep a job file containing all relevant paperwork. This includes a copy of the contract, change orders, job site photos, record of payments, and all contact information of all major sub-contractors (mechanical, electrical, plumber, roofer, etc.).
37. **DO** research how to prevent a Mechanic's Lien on your property per your state laws.

This is a great web site for information on preventing Mechanic's Liens

[READ ARTICLE HERE](#)

See also: Conditional Waiver and Release Upon Progress Payment form

[DOWNLOAD FORM HERE](#)

Remodeling your home is a tremendous undertaking and can seem daunting, but remember: it's your home and your money — make the most of it!



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