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THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION

Attorney General Martha Coakley's  
Consumer Guide to Home Improvement

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Home improvements can be a major investment for the average homeowner, and when things go wrong your plans for a dream house can turn into a costly nightmare.

**Consumer Laws That Protect You**

M.G.L. c. 93A	The Massachusetts Consumer Protection Act
M.G.L. c. 142A	Regulation of Home Improvement Contractors
780 CMR R6	Registration and Enforcement of the Home Improvement Contractor Program
201 CMR 14:00	Home Improvement Contractor Arbitration
201 CMR 15:00	Home Improvement Contractor Guaranty Fund
940 CMR 8.00	The Attorney General's Mortgage Brokers and Mortgage Lenders Regulations

**Your Best Protection** is to avoid home improvement problems in the first place, wherever possible, by being actively involved in every step of your project, from the initial planning to the finished product, and by knowing and asserting your legal rights. This guide is intended to help you through this important process.

**Take Your Time, Be Informed, and Plan Ahead**

- ✓ Know what you want and can afford: Have a good idea of the basic design of your project, the materials required and the total costs of your home improvements.
- ✓ Communicate your plans clearly: Be specific in explaining to the contractor what it is you want. Work with the contractor to provide clear, detailed specifications and include them in your written contract.
- ✓ Create a workable budget that is realistic and affordable before you accept any bids from contractors or sign a home improvement agreement.
- ✓ Seek advice from professionals familiar with your remodeling or home improvement job: check with trade associations and with your local building inspectors regarding building codes and standards before you sign a contract or begin work on your house.

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## Choose the Right Contractor

There are many highly qualified and reputable home improvement contractors in the industry. Contractors who use reliable materials, hire trained subcontractors, and perform excellent home improvement work for a fair price. Unfortunately, not every person who holds himself or herself out to be a home improvement contractor is skilled, experienced, and qualified for the project that you have in mind. Your most important challenge in your home improvement planning is hiring the right contractor for your job.

### First Steps

- (1) **Registration.** By law, most contractors and subcontractors performing residential home improvements on owner-occupied homes must be registered with the state. The few exceptions to this registration requirement include: licensed professionals, such as plumbers and electricians; part-time or small job contractors; and other contractors who specialize in certain kinds of work, including landscaping, central heating and air conditioning installations, and interior painters.

#### How to Know if a Contractor is Registered:

- ✓ Check with the Home Improvement Contractor Registration Program at the Board of Building Regulations and Standards, at (617) 727-7532, to ask if your contractor should be registered and, if so, whether the contractor is currently registered with the Board.
- ✓ Ask your contractor to show you his or her contractor's Registration Certificate issued by the state;
- ✓ Look for the six-digit Registration Number that contractors are required to display on all home improvement advertising (including the yellow pages), contracts, and building permits.

Hiring a registered home improvement contractor is vital to assuring that all your rights are protected under the law, and it is an important first step in selecting your contractor. But registration alone is not a guarantee of high quality performance; you need to do more homework before you settle on a choice.

- (2) **References.** Interview two or three contractors and check out their local references with friends, neighbors, or former clients who are familiar with the contractor's work, his or her business practices, and the contractor's reputation for reliability.
- (3) **Former Projects.** Ask to see samples of the contractor's work, particularly models of those jobs that are similar to the home improvement project you want for your home.
- (4) **Estimates.** Get written bids or estimates from at least two or three contractors that include detailed specifications for the job, the materials, labor, timeline, and the total charges for the work.
- (5) **Complaint History.** Check with the Attorney General's Office your local consumer group, or with small claims court to see if any unresolved complaints have been filed against the contractor. Judgments entered against the contractor for incomplete or shoddy workmanship, or for other alleged unfair or deceptive practices, may also be available.

## Sign the Right Contract

A home improvement contract is a written agreement defining exactly what work will be performed, the materials used, the start and completion dates, the total cost of the project, and a payment schedule. A well-written, detailed contract will provide clear expectations for you and the contractor, and help avoid many of the problems experienced by consumers.

**Get it in Writing.** By state law, every contract between a home improvement contractor and an owner to perform residential contracting services costing over \$1,000 must be in writing.

**Never** enter into any home improvement agreement that is not in writing and does not include at least the following provisions and notices required by law:

- ✓ The **Identification of the Contractor** and subcontractors, including their full names, street addresses, and contractors' registration and tax I.D. numbers, the names of the salesperson who solicited or negotiated your contact, the signatures of all parties, and the date the contract was signed.
- ✓ The **Complete Agreement** between you and the contractor, with a detailed description of the work to be done, according to your specifications and plans, and the materials you have chosen for the project.
- ✓ The **Total Price**, including materials, labor, and any additional charges you have agreed to in the contract.
- ✓ The **Payment Schedule**. By law, a contractor cannot collect more than one-third of the total charge for the project in advance, except for the costs of any special-order materials. The contractor cannot demand a final payment for the work until the contract is fully performed to your satisfaction.
- ✓ The **Starting and Completion** dates for the project, as agreed to in the contract.
- ✓ A **Registration Notice** that certain contractors and subcontractors must be registered with the state before they can perform residential home improvement contracting.
- ✓ A **3-Day Cancellation Notice** informing you of your right to cancel your contract if you signed the agreement in your home, or at a place other than at the contractor's office or business, including Home Shows.
- ✓ **Permit Notice** of any construction-related permits you need for your project, and a warning that the contractor should obtain the permits for you as your agent. If you secure your own permit or deal with unregistered contractors, you will not be eligible for the Guaranty Fund protections you may be eligible for under the Home Improvement Contractor Law.
- ✓ Other **terms and conditions** including any **Guarantees or Warranties** for labor or materials, and any **Arbitration** agreements to resolve disputes between you and the contractor.
- ✓ A **Blank Space Notice** warning you not to sign a contract or any form that is incomplete, or where any required provisions are missing. Just as you would not sign a blank check, do not sign a contract with any blank spaces.

**Remember:** If a provision is not written in the contract, you'll have a hard time proving it was part of the deal.

## If Problems Arise

When things go wrong because of shoddy or incomplete work, contract disputes, cost overruns, improper materials, or other home improvement problems that you cannot resolve with your contractor, you have several options available and sources of help.

**Mediation Services.** The Attorney General's Office and your local consumer groups have well-trained and experienced mediators who may be able to help you and the contractor resolve disputes without any additional cost to you.

For information, and to see if you qualify for mediation, call the Attorney General's Consumer Complaint and Information Section at (617) 727-8400.

**Arbitration and the Home Improvement Guaranty Fund.** If you hired a registered home improvement contractor you may be able to submit your dispute to a neutral arbitrator through the State Arbitration Program. If you win an arbitration award (or a court judgment), you may be eligible to recover restitution.

**A Word on Financing.** Under law, home improvement contractors cannot act as mortgage brokers or agents of mortgage lenders in connection with residential home improvement transactions. Contractors cannot offer you financing for your project by offering, preparing, negotiating, or arranging a mortgage loan on your home for any lender.

You should know the entire cost of your proposed project, including any interest charges, and then comparison shop for the financing you need from reputable lenders through personal, bank, or home equity loans.

**Doing your homework.** Remember, whereas all Massachusetts banks and their mortgage subsidiaries are government supervised, some mortgage companies, brokers, and lenders may not be licensed as required by state law. Before entering into any financing arrangement, call the state Division of Banks to check on a company's license and reputation at (617) 956-1501, or at (800) 495-2265.

## Home Improvement Checklist

- ✓ To preserve your consumer protections, check to see that your contractor has complied with the home improvement registration requirements, and that he or she is currently registered with the state.
- ✓ Verify the name, address, telephone number, the credentials, and references of the contractor before you enter into any home improvement agreement.
- ✓ Solicit at least two or three bids from contractors for your project, and get complete, written estimates for the detailed specifications included in your home improvement plan.
- ✓ Include in your contract all the terms, conditions, warranties, and verbal promises concerning your home improvement project.
- ✓ Do not sign a contract until you have thoroughly read and understood all its provisions, notices, and terms. Never sign a written agreement that is not completely filled out.
- ✓ Obtain and keep copies of every written document, including contracts and receipts from suppliers and others providing materials for your project.
- ✓ Take your time, and do not submit to high pressure sales tactics by a contractor or sales representative.
- ✓ Know about your three-day cancellation rights, and do not hesitate to cancel a home improvement contract if you are not completely satisfied with it.
- ✓ Never pay for the entire job in advance or make scheduled payments before the agreed-upon terms are met and the work is completed to your full satisfaction.
- ✓ Do not sign a completion certificate until the work is done fully and properly according to the specifications and timeline in the contract.
- ✓ Insist that the contractor pull all permits for the job. Never pull your own permit.

## Home Improvement Resource Information

**For information on a home improvement contractor's complaint history, to file a complaint, or to receive general information and educational materials, contact:**

Office of the Attorney General  
Consumer Complaint and Information Section  
(617) 727-8400  
[www.ago.state.ma.us](http://www.ago.state.ma.us)

The Better Business Bureau  
(508) 652-4800  
[www.bbb.org](http://www.bbb.org)

**For information on a Home Improvement Contractor's registration, contact:**

The Board of Building Regulations and Standards  
Home Improvement Contractor Registration Program  
(617) 727-7532  
[www.mass.gov/homeimprovement](http://www.mass.gov/homeimprovement)

**To check on state-chartered banks, credit unions, mortgage brokers and companies, and lenders, contact:**

The State Division of Banks  
(617) 956-1501

**To request mediation services, contact your local consumer group, or:**

Office of the Attorney General  
Consumer Complaint and Information Section  
(617) 727-8400  
[www.ago.state.ma.us](http://www.ago.state.ma.us)

**For information about the State Arbitration Program and Home Improvement Guaranty Fund, contact:**

The Executive Office of Consumer Affairs  
Business Regulation Home Improvement, Arbitration Program  
(617) 973-8787  
[www.mass.gov/homeimprovement](http://www.mass.gov/homeimprovement)

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**For general information and advice about planning your home improvement project, contact:**

The National Association of the Remodeling Industry (NARI)  
(800) 611-6274  
[www.nari.org](http://www.nari.org)

NARI Eastern MA Division  
(508) 907-6249  
[www.emnari.org](http://www.emnari.org)

Home Builders Association of Massachusetts  
(800) 632-8168  
[www.hbama.com](http://www.hbama.com)

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