Consumer's Edge

Consumer Protection Division, Maryland Office of the Attorney General

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Home Repair Scams

Home repair and improvement scams are among the most common consumer complaints. Consumers complain about shoddy workmanship, "fly-by-night" contractors who take payments and don't show up to do the work, and companies that pressure homeowners into expensive, unneeded repairs. You can avoid becoming a victim by taking important precautions before having home repairs done.

Beware of roving con artists. These scam artists knock on people's doors and offer to do work such as roofing, gutter cleaning, driveway paving or tree pruning. They sometimes appear in the aftermath of hailstorms or tornados, offering to repair storm damage.

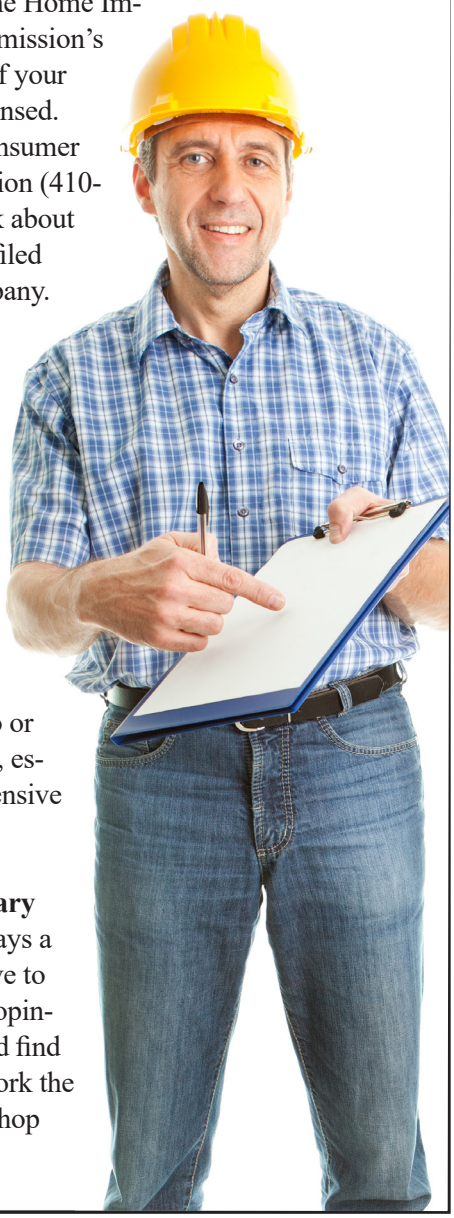
Warning signs of a scam:

- An offer of a reduced price because they've "just done a job nearby and have "left over" materials;
- An offer of a "special" percentage off the repair without being clear about what the bottom-line price will be;
- No street address or telephone number, just a post office box or an answering service;
- A refusal to give a written estimate or contract;
- Accepts only cash payments or asks you to pay the entire job up front.

Don't hire contractors who come to your door unsolicited, even if they seem honest and helpful. These con artists may take your money and disappear before finishing the job, or sometimes before even starting the work, and are probably not licensed. If something goes wrong, you would have no way to track them down. Also, admitting strangers to your home puts you at risk of being robbed.

Deal only with licensed contractors. When you need work done to your home, choose a contractor carefully.

- Get recommendations for licensed contractors from satisfied friends and neighbors.
- Ask to see the worker's Home Improvement Commission license, and check the license number and expiration date. Contractors must display their home improvement license number on all of their home improvement contracts, trucks and advertisements.
- Go to the Home Improvement Commission's web site (www.dllr.state.md.us/license/mhic) to verify a contractor's license. Call the Home Improvement Commission at 410-230- 6309 to ask about complaints filed against a company. Why? If a contractor you hire fails to do the job, or does it poorly, you may be able to recover your losses through the Home Improvement Commission's Guaranty Fund if your contractor is licensed.
- Also call the Consumer Protection Division (410-528-8662) to ask about any complaints filed against the company.
- Insist on references from a contractor and check them to see if the work was done properly, on schedule, and within the contract price.
- Get estimates from at least two or three companies, especially for expensive repairs.



Don't pay for unnecessary repairs. If a contractor says a problem will be expensive to fix, get at least a second opinion on the diagnosis, and find out exactly what work the project requires. Shop

around for a contractor, getting price estimates from several. When requesting an estimate, ask if there is a charge for it. Beware of salespersons using scare tactics and threats, such as, "Your furnace will blow up if it's not repaired quickly," or "Your water is unsafe to drink."

Insist on a complete written contract. The contract should include: the contractor's name, address and telephone number, a description of work done, materials used, labor cost, timetable, payment schedule, completion date, names of subcontractors, warranty agreements, clean up and financing arrangements. Find out beforehand if the contractor charges by the job or by the day.

Know your right to cancel. Because most home improvement contracts are signed in the home, you are protected by the Door-to-Door Sales Act, which gives you **five business days** to cancel the contract (**unless you are age 65 or over, then you have seven days**) – and the contract should advise you of this right. However, it's always best not to sign a contract until you've considered all your options and are sure about your decision. Beware of any contractor who asks you to waive your right to cancel within five days.

Don't pay more than one-third of the total contract price in advance. In Maryland, it's against the law for a contractor to accept more than one-third in advance. Before making your last payment, live with the improvement for a few days. Don't sign a certificate of completion or release final payment until you have proof the subcontractors have been paid and all the work in the contract is completed to your satisfaction.

Be cautious of home repair/improvement financing offers. If a contractor offers to arrange financing for your home repair project, shop around for financing yourself. Your own bank or a regular lender may offer better terms. Also, some shady contractors may get you to sign loan papers that are actually for a mortgage against your home. Or, the loan money may be paid directly to the contractor even before the work is done, so the contractor could take the money and disappear before finishing the job.

How to contact us

Consumer Protection Division
200 St. Paul Place, 16th Fl., Baltimore, MD 21202

- **General Consumer Complaints:** 410-528-8662
  Toll-free: 1-888-743-0023 TDD: 410-576-6372
  9 a.m. to 3 p.m. Monday-Friday
  www.marylandattorneygeneral.gov/Pages/CPD/
- **Health Consumer Complaints:** 410-528-1840
  Toll-free: 1-877-261-8807 TDD: 410-576-6372
  9 a.m. to 4:30 p.m. Monday-Friday
  www.marylandcares.org
- **For information on branch offices** in Largo, Salisbury, Hagerstown, and a full list of offices across Maryland, visit:
  www.marylandattorneygeneral.gov/Pages/contactus.aspx

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