

MLM

MUSICK LOSS MANAGEMENT, INC

Adjuster & Contractor for the Insured

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HOME REPAIR: KNOW YOUR CONSUMER RIGHTS

As you plan for your home repair / improvement project, it is important to ask the right questions in order to protect your investment. The tips in this fact sheet should allow you to protect yourself and minimize the possibility that a misunderstanding may occur.

AVOIDING HOME REPAIR FRAUD

Please use extreme caution when confronted with the following warning signs of a potential scam:

- 1) Door-to-door salespersons with no local connections who offer to do home repair work for substantially less than the market price.
- 2) Solicitations for repair work from a company that lists only a telephone number or a post-office box number to contact, particularly if it is an out-of-state company.
- 3) Contractors who fail to provide customers references when requested.
- 4) Persons offering to inspect your home for free. Do not admit anyone into your home unless he or she can present authentic identification establishing his or her business status. When in doubt, do not hesitate to call the worker's employer to verify his or her identity.
- 5) Contractors demanding cash payment for a job or who ask you to make a check payable to a person other than the owner or company name.

CONTRACTS

- 1) Get all estimates in writing.
- 2) Do not be induced into signing a contract by high-pressure sales tactics.
- 3) Never sign a contract with blank spaces or one you do not fully understand. If you are taking out a loan to finance the work, do not sign the contract before your lender approves the loan.
- 4) Remember, you have 3 business days from the time you sign your contract to cancel any contract if the sale is made at your home. The contractor cannot deprive you of this right by initiating work, selling your contract to a lender, or any other tactic.
- 5) If the contractor does business under a name other than the contractor's real name, the business must either be incorporated or registered under the Assumed Business Name Act. Check with the Secretary of State to see if the business is incorporated or with the county clerk to see if the business has registered under the Assumed Business Name Act.
- 6) Homeowners should check with local and county units of government to determine if permits or inspections are required.
- 7) Determine whether the contractor will guarantee his or her work and products.
- 8) Determine whether the contractor has the proper insurance.
- 9) Do not sign a certificate of completion or make final payment until the work is done to your satisfaction.
- 10) Remember, homeowners should know who provides supplies and labor for any work performed on your home. Suppliers and subcontractors have a right to file a lien against your property if the general contractor fails to pay them. To protect your property, request lien waivers from the general contractor.

BASIC TERMS TO BE INCLUDED IN A CONTRACT

- 1) Contractor's full name, address, and telephone number. Illinois law requires that persons selling home repair and improvement services provide their customers with notice of any change to their business name or address that comes about prior to the agreed dates for beginning or completing the work.
- 2) A description of the work to be performed.
- 3) Starting and estimated completion dates.
- 4) Total cost of work to be performed.
- 5) Schedule and method of payment, including down payment, subsequent payments, and final payment.
- 6) A provision stating the grounds for termination of the contract by either party. However, the homeowner must pay the contractor for work completed. If the contractor fails to commence or complete work within the contracted time period, the homeowner may cancel and may be entitled to a refund of any down payment or other payments made towards the work, upon written demand by certified mail.

Homeowners should obtain a copy of the signed contract and keep it in a safe place for reference as needed.

IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

If you think you have been defrauded by a contractor or have any questions, please bring it to the attention of your State's Attorney or the Illinois Attorney General's Office.

Attorney General Toll-Free Numbers

Carbondale (800) 243-0607 - Springfield (800) 243-0618 - Chicago (800) 386-5438

Consumer Rights Acknowledgement:

I, the homeowner, have received from the contractor a copy of the HOME REPAIR: KNOW YOUR CONSUMER RIGHTS form:

Signature (Homeowner)

Date

Signature (Contractor)

Date