

*Protecting Ohio's Families*

## Does your house need some work?

Before embarking on a home-improvement project, make sure you know how to avoid the pitfalls of shady contractors and deceptive contracts.



# Home Improvement



**MIKE DEWINE**

OHIO ATTORNEY GENERAL

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Ohio law protects consumers who hire contractors for home-improvement projects. Here are some tips for protecting yourself when entering into an agreement:



## Avoid a bad contract

Never enter into a home-improvement deal unless it is in writing and is signed by both you and the contractor. The contract should include:

- Your full name and address.
- The name, address, and telephone number of the contractor.
- A complete description of the work to be done and the materials to be used.
- A provision requiring written approval for any changes.
- A clear statement explaining any of the contractor's guarantees, warranties, or oral promises.
- A provision stating the total cost for the work and the specific terms for payment covering materials and labor.
- A starting date and a completion date.
- A provision that excludes you from paying attorney's fees, court costs, or damages in case of a dispute or cancellation.
- A requirement for the contractor to obtain all necessary permits and inspections.
- Dated signatures by you and the contractor.

Make sure the contract has no requirement for a large down payment or a payment in full before the project is complete and has been inspected. Make sure the contract doesn't include a mandatory arbitration clause, in which you waive your right to sue.

## Know your cancellation rights

Generally, you and the contractor are obligated to fulfill a contract once it has been signed. However, you have the right to cancel a home-improvement contract when it results from a door-to-door solicitation.



Your right to cancel must be exercised within three business days from the date you receive the cancellation form, which must be given to you when you sign the contract.

In order to cancel the contract, send your cancellation notice by certified mail with return receipt requested, or deliver it by hand and obtain written proof that it was received. If you decide to cancel, the contractor must return any money already paid within 10 business days. (Sundays, and legal holidays are not considered business days.)



## Pay once

The Ohio Mechanic's Lien Law can help protect consumers from paying twice for home improvements and from having liens attached to their property. According to the law, if you pay the original contractor in full before receiving official notice of a mechanic's lien, a lien can't be placed on your home by that contractor or any supply companies, subcontractors, or laborers.



Mechanic's liens are issued on behalf of people supplying labor or materials for a job in order to guarantee payment. Under such a lien, clear title to the property can't be received until the claim is settled.

Trouble occurs when the contractor fails to pay a subcontractor for completed work or a supply company for the building supplies used.

The supply company or a subcontractor might try to get the money directly from you by placing a lien on your property.

If the contractor fails to pay a subcontractor, laborer or supply company, you should withhold that amount from the original contractor and make a check jointly payable to the original contractor and subcontractor in exchange for a lien release from the subcontractor.

Once 60 days have passed from the date when work on your property has been completed, no contractor, subcontractor, supply company, or laborer has the right to file a mechanic's lien on your property.

If you are financing your home-improvement project through a lending institution, you should ask your lender about the steps you must take to protect your property from a mechanic's lien.



## Cover your bases

Before signing a home-improvement contract, make sure:

- All project financing is preapproved.
- You have checked with local officials to see whether permits are required for the project.
- The contractor has given you references, which you've checked.
- The contractor has shown you proof of licenses, insurance, and bonding. (State law doesn't require home-improvement contractors to be licensed, but many Ohio cities do.)
- You have checked with the Ohio Attorney General's Office and the Better Business Bureau to see whether complaints are on file against the company.
- You have received at least three written estimates from three different contractors.
- You always ask for the manufacturer's warranty in writing on items such as siding, windows, roofing materials, and heating and cooling equipment.
- After the job has been completed, you request an itemized receipt for the work performed. Keep the old parts in case you later need to prove that a particular item didn't need to be replaced.

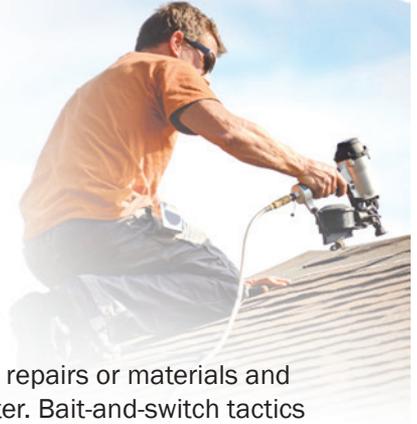


## Watch for scams

**Be wary of any contractor who uses scare tactics. If a contractor tells you that your furnace will blow up or your roof will collapse, get a second opinion. Check with another company or with a city inspector before you authorize repairs.**

Watch out for people who attempt to bait you with advertisements for cheaply priced repairs or materials and then switch you to a more expensive job later. Bait-and-switch tactics are against the law.

Be careful when a contractor says, “We’re going to use your home as a model, so we’re giving you a special discount.” This “model home” pitch is used frequently with sellers of siding, swimming pools, storm windows, and fencing. If not truthful, the technique violates Ohio’s consumer protection laws.



Read and understand all papers before you sign them.” This practice is when an unscrupulous contractor or lender slips paperwork, such as a second mortgage deed, into the package without your knowledge.

Don’t fall for the contractor who says he is working in the neighborhood and has extra materials and time to offer you a deal. This “deal” rarely turns out to be a bargain.

Don't pay a contractor a large sum of money in advance. Pay a reasonable down payment, but reserve final payment until the job is completed. Always get a receipt for partial payments or deposits.

Watch out for contractors who promise you a discount or commission if you supply names of other potential buyers. A "referral sale" is illegal in Ohio, and you probably won't get the promised discount.

**PERMIT**

...in a conspicuous place on site of

## Keep track

Be careful what you throw away. You never know when you might need home-improvement records, such as:

- Contracts
- Change orders
- Permits and licenses
- Payment evidence and receipts
- Correspondence and notes
- Warranties
- Subcontractor names and addresses
- Material suppliers
- Samples of paint, carpet, wallpaper, shingles, or other materials, in case replacements are needed
- Promotional materials
- Loan or financing documents



# Home Improvement Resources

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**Ohio Attorney General's  
Consumer Protection Section**

30 E. Broad St., 14th floor  
Columbus, OH 43215  
800-282-0515  
[www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov)

**Better Business Bureau**

Research a business or find  
local contact information  
[www.bbb.org](http://www.bbb.org)

**Ohio Secretary of State's Office**

180 E. Broad St., 16th floor  
Columbus, OH 43215  
877-767-6446  
[www.sos.state.oh.us](http://www.sos.state.oh.us)



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For more information, to report a scam, or to schedule a speaker on consumer protection issues, contact Ohio Attorney General Mike DeWine's office at **[www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov)** or **800-282-0515**.

For TTY, please call Relay Ohio at **800-750-0750**.