

HOME IMPROVEMENT



MIKE DEWINE

★ OHIO ATTORNEY GENERAL ★

www.OhioAttorneyGeneral.gov



Ohio Home Improvement

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

Don't get ripped off by 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 the following information:

- Your full name and address.
- 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 contractor guarantee or warranty, and all of the contractor's oral promises.
- A provision stating the total cost for the work and the specific terms for payment of materials and labor.
- A starting date and a completion date.
- A provision that does not require you to pay 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.
- Your signature and the contractor's signature. Those signatures should be dated.

Remember, too, that the contract should not have a requirement for a large down payment or payment-in-full until the project is complete and has been inspected. Make sure the contract does not include a mandatory arbitration clause, in which you waive your right to sue.

Contracts: Not always set in stone

- 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.
- If you pay for the home improvement project by obtaining a second mortgage, you may have additional protections under federal law.
- Your right to cancel must be exercised within three business days from the date you receive the cancellation form.
- The contract should include a cancellation form. Send your cancellation notice by certified mail, return receipt requested, or hand deliver it and obtain written proof that it was received. If you decide to cancel, the contractor must return the money you already have paid within 10 business days. (Sundays and legal holidays are not considered business days.)

Don't pay twice for the same work

The Ohio Mechanic's Lien Law can help protect consumers from paying twice for home improvements and from having liens attached to their property. This law states: 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 to guarantee payment. Under it, clear title to the property cannot be received until the claim is settled.

This might happen when the contractor has completed the work and has been paid, but 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 their money directly from you by placing a lien on your property.

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 mechanics' liens.

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.



Cover your bases

Before signing a home improvement contract, make sure that:

- All project financing is pre-approved.
- You have checked with local officials to see if 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 does not require home improvement contractors to be licensed, but many Ohio cities do.
- You have checked with the local Better Business Bureau™ and the Ohio Attorney General's Office to see if 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 old parts, such as furnace parts, in case you later need to prove that a particular item did not need to be replaced.

If it sounds like a scam, then it probably is

- 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 the local 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 aluminum siding, swimming pools, storm windows and fencing. If not truthful, this technique violates Ohio's consumer protection laws.
- Read and understand all papers before you sign them, including copies. Watch out for "slip-sheeting." 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's 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 fully 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 will not get the promised discount

Don't throw anything 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, etc., in case future replacement is needed
- Promotional materials
- Loan or financing documents





Ohio Attorney General Mike DeWine

Consumer Protection Section
30 East Broad Street, 14th Floor
Columbus, Ohio 43215

For more smart consumer tips, or to share a tip or two of your own, visit www.OhioAttorneyGeneral.gov or call Ohio Attorney General Mike DeWine's Help Center at **800-282-0515**

For TTY Users, please call Relay Ohio at **800-325-2223**