



HOW TO CHOOSE A HOMEBUILDER OR REMODELER

Building a new home or remodeling your present home is a major investment. As you begin planning to build or improve your home there are important steps you should take to ensure that your investment is a wise one and that you are protected from loss or disappointment.

CHOOSING A BUILDER:

Get the names of contractors from:

- Friends or neighbors who have had satisfactory work done.
- People at local home improvement centers, builder shows, or open houses.
- Local home builder's association. When the association is affiliated with the National Association of Home Builders, all members must be licensed by the state to be included on their roster.

You should be aware that all contractors offering to do work that totals \$600 or more in labor and materials must be licensed by LARA. A residential builder's license allows a contractor to build a complete structure and do maintenance or alteration (remodeling) work. A Maintenance & Alteration license indicates that the holder has met the requirement for one or more of the following trades: basement waterproofing, carpentry, concrete, excavation, house wrecking, insulation, masonry, roofing, screen and storm sash, gutters, siding and swimming pools. The trades in which a contractor is qualified to practice are listed on the license.

LOOK FOR THE LICENSE: The state license must be displayed in the place of business and all contractors and their salespeople must carry a pocket license card which you should ask to see. If they cannot show you a license, go to LARA Google Search.

Working with an unlicensed builder, or contractor is done at your own risk!

GET REFERENCES:

- Get references from the contractors you are considering
- Ask for the name and address of previous customers. Check with those people who have had work done and ask if it was satisfactory.

GET ESTIMATES:

- Get estimates from different contractors to compare prices. Remember the cost of materials, size of the project, and quality of materials will affect the bid. A low bid based on inferior materials may not be any bargain, so consider more than the price alone.

GET IT IN WRITING:

- When you have selected a contractor, get all agreements in writing. A written agreement will make sure there are no misunderstandings about the work or the terms of the contract.
- Make sure that you read all documents carefully. While it is not required, it is often a good idea to have an attorney review the contract and any other forms before you sign them, especially if a large sum of money is involved.
- Don't be afraid to ask questions about anything you do not understand. Ask for any changes or modifications before you sign the contract.

GET A CONTRACT THAT INCLUDES:

- The company name, address, phone number, and the full name and license number of the builder/contractor and the salesperson.
- Detailed job specifications which include a description (brand names, colors, grades, styles, and model numbers) of materials, a list of all costs spelled out clearly, and any architectural or engineer drawings which are required.
- A statement that all required building permits and variances will be obtained by the contractor, before work is begun. The building permit is for your protection. A city building inspector will make sure the finished job meets all codes and safety standards and makes the contractor responsible for corrections.
- Inquire if the contractor carries liability insurance and has Worker's Compensation coverage, in case of accidents on the job.
- A statement of warranty on the work. Be sure it tells if labor and materials are guaranteed and for how long. A statement that cleanup will be done by the contractor should be included.
- The terms of payment should be clearly stated in the contract.
- If everything in the agreement is satisfactory, both the contractor and the homeowner must sign and date the contract. Any changes or revisions must be dated and initialed by both parties.
- Be sure that the contractor gives you a copy of the contract with any change orders noted.

RESOLVING PROBLEMS:

- If you have problems, you should first try to resolve them with the contractor before making the final payment.
- Small Claims Court is another alternative if the dispute involves a sum within their jurisdiction.
- Contact Citizens Mediation Service in St Joseph: info@citizensmediation.org
- Contact LARA (Michigan's Department of Licensing and Regulatory Affairs, online webpage)