

7 WAYS to VET CONTRACTORS AND AVOID SCAMS

1 Do not be pressured into taking immediate action.

If someone is telling you that you need to act now, they are likely trying to prevent you from verifying whether the business is legitimate. **Take your time.**

- › Ask your insurer for a list of approved contractors.
- › For major repairs, get at least three estimates based on the same specifications and materials.

2 Be wary of anyone going door to door.

Scammers may pose as contractors, charity workers, or even government officials. Remember that if someone is trying to sell you something or asking for a donation, **you can say no** and then do the necessary research.

3 Pay with a credit card whenever possible.

Paying with a credit card gives you the ability to reverse any fraudulent charges, adding an **extra layer of protection.**

4 Never pay in full in advance, and do not pay with cash.

Have the contract **specify a schedule** for making payments, and before making the final payment, ask the contractor to **provide proof** that all subcontractors have been paid; if not, you could be liable for their fees.

5 Ask for references, licenses, and certifications.

Make sure that anyone you hire is **qualified** and has all applicable licenses or certifications required by their field.

- › Check references, licensing, and registration information with the National Association of State Contractors Licensing Agencies (NASCLA), read reviews posted by the Better Business Bureau, and work with a local housing and community development agency to coordinate with local contractors and identify appropriate contractor resources.

6 Obtain offers in writing.

Ask for written estimates and contracts **before you do business.**

- › Require written contracts that specify the work to be done, materials to be used, start and end dates, responsibility for hauling away debris, and costs broken down by labor and materials. Verify that the contractor's name, address, phone number, and license number are included, as well as any verbal promises and warranties.
- › Never sign a contract with blank spaces. Dishonest contractors sometimes enter unacceptable terms later.
- › Read the fine print. Make sure your contract does not include any clauses that allow for substantial cancellation fees if you choose not to use the contractor after your insurance company has approved the claim, or that require you to pay the full price if you cancel after the cancellation period has expired.

7 Initiate communication.

Never make payments or give out personal information to someone on a phone call you did not initiate.