

## Hiring A Contractor - Checklist for Consumers

1. Hire only Louisiana State Licensed or Registered contractors.
  - Commercial Projects over \$50,000 require state license
  - Residential New Construction of Single Family Homes require state license
  - Home Improvement/Remodeling over \$1,500 requires state registration
  - Hazardous materials or mold remediation over \$1.00 requires state license
2. Verify Contractor License or Registration number at 1-800-256-1392 or [clicking here](#) and search for contractor license/registration number.
3. Get at least 3 local area references and review contractor experience.
4. Get at least 3 bids on the work to be performed.
5. Get a written contract and don't sign anything until you understand the terms of your contract clearly.
6. Pay 10% down, or \$1,000, whichever is less, depending on project size and reasonable starting cost requirements.
7. Don't let payments get ahead of work completed. Keep a record of all payments.
8. Don't make the final payment until you are satisfied with the job.
9. Never pay cash.
10. Keep a job file of all papers relating to your construction project.

## Unscrupulous Contractor Scams

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### Door To Door Solicitations

A solicitor offers to do roofing, painting or paving work at a reduced price. Once payment is made, little or no work is done and the project is abandoned.

### High Pressure Sales

An unscrupulous contractor pushes for an immediate decision about work, which makes it impossible for the homeowner to get competitive bids, check licenses/registrations and review references.

### Scare Tactics

A deceitful contractor offers to perform a free inspection, then claims that faulty wiring, bad plumbing, or a leaky roof put the homeowner in danger. The alarmed homeowner agrees to unnecessary and over-priced work.

### Demand for Cash

A contractor demands cash payments, sometimes going so far as to drive the victim to the bank to withdraw funds. With money in hand, the unscrupulous operator takes the money and runs

### Illegally Large Down Payments

A dishonest contractor takes more for a down payment than is reasonable, claiming to need instant cash for supplies and to pay workers. A down payment shouldn't exceed 10% or \$1,000, whichever is less, or reasonable to the size of the project after you have investigated the license/registration, and verified the references of the contractor.

### Verbal Agreements

A contractor states that a written contract is unnecessary—promising to deliver on the verbal agreement. The shady contractor takes advantage of the situation to perform shoddy work or none at all.

### What You Should Know About Payments

- Don't pay cash.
- Include a payment schedule in your written contract.
- Don't pay more than 10 percent of the job or \$1,000, whichever is less, as a down payment.
- Don't let payments get ahead of the work.

## **More Consumer Tips Relative to Hiring Construction Contractors**

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### **Caveat Emptor**

#### ***Let The Buyer Beware***

Most licensed or registered contractors are competent, honest, hardworking and financially responsible. However, new residential construction, and home improvement projects are a top source of consumer complaints nationwide. Most of the problems that the Louisiana State Licensing Board for Contractors see could be prevented if homeowners knew their home improvement rights and took responsibility for their project. A responsible and informed consumer can work more effectively with reputable contractors who follow state licensing laws and also adhere to other state laws regarding general liability, workers compensation, and laws governed by the Department of Revenue and Taxation.. By being informed the consumer can avoid being victimized by unscrupulous or unlicensed contractors.

The "buyer beware" principle can help prevent frustration and disappointment when preparing to make a major decision. By carefully considering what you want done to your property, what it will realistically take to do the job, and taking the time to research and check the license or registration status of the contractor you hire to do the job, you may avoid many of the headaches often associated with new construction or home improvement projects.

Almost everyone knows someone who has a nightmare story to tell about building or remodeling their home: the length of time it took; or the cost overruns associated with the project; or worse; a contractor who started, but didn't finish the project; but, instead ended up with the owner's hard earned money, and an uncompleted project. The added agony, frustration, and expense of having to finish the project themselves or hire another contractor to finish the work is indeed a nightmare situation!

Protect yourself, and your pocketbook; don't become a victim! Take time to ensure that the contractor is licensed. Contact the Louisiana State Licensing Board for Contractors:

At 1-800-256-1392 or search our contractor license database by [clicking here.](#)