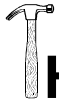


Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education



HINKING ABOUT A HOME IMPROVEMENT? DON'T GET NAILED

If you live in Washington, D.C. and are thinking about making improvements to your home, selecting a contractor is the first and most important step in the process. The Federal Trade Commission offers the following tips and checklist to help you along.



Deal only with licensed contractors. Make sure that any contractor you're considering has a current license to operate in the District. Call the D.C. Business Services Division at 727-7070 to find out. According to D.C. law, only licensed contractors and salespeople can require and accept any payments before the job is completed.



Don't assume that all contractors who advertise in the "home improvement" section of the D.C. Yellow Pages have a valid license or that they're reputable. Check out licensed contractors with the D.C. Better Business Bureau. You'll find out if there are any unresolved consumer complaints on file.



Ask friends, relatives and co-workers for recommendations. Ask contractors if there's a charge for an estimate before allowing them in your home. Get written estimates from at least three firms. Ask for explanations for price variations. Don't automatically choose the lowest bidder.



Be skeptical of contractors who come to your door unsolicited or offer reduced prices because they've just completed work nearby and have materials left over.



Beware of contractors who ask you to pay for the entire job up front. Your down payment should not be more than one-third of the total price. And remember, only licensed contractors and salespeople can require and accept any payments before the job is completed. Pay only by check or credit card, not cash.



Be cautious about using your home as security for a home improvement loan. If you fail to repay the loan as agreed, you could lose your home.



Have a knowledgeable friend, relative or your attorney review the contract before you sign. If you get a loan to pay for the work, consider having these documents reviewed as well.



Be aware that you have cancellation rights. Under Federal and District law, you have three business days to cancel the deal if you sign the contract in your home or at a location that is not the seller's permanent place of business. The salesperson must give you two copies of a cancellation form (one to keep and one to send back) and a copy of your contract or receipt. The contract or receipt must be dated, show the name and address of the seller, and explain your right to cancel.



Check Out Your Contractor

Ask the contractor for the following information. Use it to check out the contractor with appropriate authorities and previous customers. If the contractor is reluctant to give you this information, consider doing business with another company.

- An unsigned copy of the contract
- A copy of the estimate
- Contractor's name _____
- Street address (no P.O. Box) _____
- Telephone Number _____
- D.C. License Number _____
- Name under which license is filed _____
- Number of years contractor has had a D.C. license _____
- Names, addresses and telephone numbers of previous D.C. customers. Ask them about their experiences with the company. If possible, visit a completed job.

1. _____

2. _____

3. _____

For more information, contact the FTC at: Consumer Response Center, Federal Trade Commission, Washington, D.C. 20580, or call 202-326-2222; TDD: 202-326-2502. You also may visit the FTC at www.ftc.gov on the Internet.