

Steps to Selecting a Contractor

- 1 Ask to see the contractor's license and write down the number.** A pocket card is provided to all licensed contractors by the Board. • *Contact the Board or check their website to verify their license and check for complaints from the "Problem Contractor List" on the website at: <http://www.tn.gov/commerce/boards/contractors/>.*
- 2 Get recommendations from friends and neighbors.** Use a local, well-established contractor. **Ask the contractor to give you references.** Then call the references, ask questions and look at the work.
- 3 Ask the contractor if the company is insured** against claims covering worker's compensation, property damage and general liability.
- 4 Get it in writing.** Estimates should be very specific and include exactly what you're getting for the price. Make sure all bids are based on the same set of specifications and or model home, and include a completion date.
- 5 Be sure to see the building permit before work starts, and make sure it's not in your name.** Never obtain the building permit yourself for work being done by a contractor. By doing so, you assume all risks and it will be difficult to recoup money for inferior work.
- 6 Payment; do not pay cash.** Never pay entire cost up front or make final payment until the job is complete. Keep a file and tally of all payments.

Buying a Home

Your home will be one of the most important investments that you will make in your life. Planning and taking preventative measures will help to ensure a pleasant experience. The license search website for contractors also provides license information for other regulated professions such as Real Estate Brokers, Home Inspectors and Real Estate Appraisers.

Homebuyer education may be obtained from the Tennessee Housing Development's website at: <http://www.tn.gov/thda/> or at (615) 741-2400.

When a disaster strikes, consumers may obtain valuable information from the Tennessee Emergency Management Agency website at: <http://www.tnema.org> or 1-800-621-3362.

STATE OF TENNESSEE

The Honorable Phil Bredesen, Governor

DEPARTMENT OF COMMERCE AND INSURANCE

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BOARD FOR LICENSING CONTRACTORS

Department of Commerce and Insurance
www.tn.gov/commerce/boards/contractors



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The Tennessee Department of Commerce and Insurance is committed to principles of equal access, and affirmative action. Contact the EEO Coordinator or ADA Coordinator 615-741-2177 (TDD).

Sound Construction, Sound Quality

A Consumer's Guide to Selecting a Contractor



Tennessee Board for Licensing Contractors

Department of Commerce & Insurance
www.tn.gov/commerce/boards/contractors

Licensed Contractors Measure Up To Tennessee's Highest Standards

Buyer Beware

When selecting a contractor, it's important to use caution — whether you are considering hiring a contractor for home improvement, remodeling or new construction. If you make sure the contractor you hire is licensed, insured and reputable, you'll avoid a lot of problems.

The most frequent problems heard from consumers involve cost overruns, missed deadlines and poor workmanship. Other complaints involve unscrupulous contractors who take advance payments and then disappear before finishing or even starting work.

Depending on the size of the project, Tennessee law requires contractors to be licensed.

To protect yourself, always check to see if the contractor is licensed and in good standing. The Board for Licensing Contractors can be reached at **1-800-544-7693** or <http://licsrch.state.tn.us/>.



Ask to see a copy of the company's license or the pocket card issued to all licensed contractors by the Tennessee State Board for Licensing Contractors.

Get It in Writing

A written contract, spelling out all the details, should always be used, even on small projects. Avoid contractors who refuse to put it in writing. Keep in mind, any promises that the contractor makes will be difficult to enforce unless they are in writing.

The contract should contain the **full name, street address and phone number of the contractor** as well as the home owner. It should also have **an agreed upon price, complete description of the work to be done, and materials** (grades and type) to be used, the **starting and completion dates, clean up** after the work is finished and the **payment schedule**. Never sign a contract with blanks to be filled in later.

Never pay a remodeler or contractor the entire cost of the work up front. On remodeling projects, never pay more than one-third down.

Never release the final payment until the project is completed according to the contract. You should also have proof that all suppliers, employees and subcontractors have been paid by the contractor.

Remember that changes cost money, especially if you decide to make changes after the work begins. To avoid misunderstandings, make sure that your agreement with the contractor, concerning both the changes and costs, are put in writing and added to the original contract.

Even if you follow these guidelines, problems may arise. Take time to talk with your contractor

about your project and try to work out any disagreements. Frequently, effective communication will resolve most difficulties. If problems persist, it is a good idea to document your side of the dispute by putting in writing all issues that need to be resolved. Send a copy to the contractor and keep a copy for your file.

How to File a Complaint

If the work was not completed to the terms of the contract, you may pursue legal action or file a complaint with C.H.A.M.P. (Contractor/Homeowner Accountability and Mediation Program). This program is a partnership between the Board for Licensing Contractors and the Division of Consumer Affairs, both located within the Department of Commerce and Insurance. Depending on the nature of the complaint, mediation may be attempted or disciplinary action taken against a contractor's license for regulatory violations. It is important to note, C.H.A.M.P. cannot force a contractor to provide financial restitution and is not a substitute for private counsel. To file a complaint, you may request a complaint form at 1-800-544-7693 or file online at http://www.tn.gov/commerce/boards/contractors/OnlineComplaint_cont.html. Frequently, effective communication will resolve most difficulties. If problems persist, it is a good idea to document your side of the dispute by putting in writing all issues that need to be resolved. Send a copy to the contractor and keep a copy for your file.

