

Common Sense May Avoid Problems with Repair Contractors

Release Date: July 27, 2017

LITTLE ROCK, Ark. — Home repair complaints last year were number 5 on the Arkansas Attorney General's top 10 list of consumer complaints. Natural disasters attract fly-by-night contractors, including those from other states, who prey on the vulnerability of disaster survivors.

By and large, building industry representatives are honest. But any time large amounts of money are involved, it makes sense to take precautions in signing contracts to avoid misunderstandings with the contractor.

Some scam artists claim to be FEMA certified. FEMA neither certifies nor endorses any private-sector contractor, except those FEMA hires or contracts with to do housing inspections. Some fraudsters pose as FEMA housing inspectors and charge a fee for inspections.

There is no fee for FEMA housing inspections. Legitimate inspectors carry official photo ID and will have a disaster assistance applicant's FEMA registration number and carry official photo identification.

Complaints regarding FEMA disaster assistance programs or employees can be reported to the Office of Inspector General at **800-323-8603**. Misconduct involving SBA programs or employees are handled separately and may be reported to the Office of Inspector General hotline at **800-767-0385**.

Here's what to be mindful of in hiring repair contractors:

- Use reliable, licensed contractors with liability insurance and workers' compensation. Arkansas law requires most contractors with three or more employees to have workers' compensation coverage. A list of licensed contractors is updated daily by the Arkansas Contractors Board at <http://aclb2.arkansas.gov/latestroster.csv>, or call **501-372-4661** for information.



FEMA

Page 1 of 3

- Call your local Better Business Bureau to inquire about a business before signing a contract.

- Ask the contractor for three references— former customers who had similar work done. Ask the reference about any problems and if the person was satisfied with the job.

- Insist on a written contract, clearly stating all tasks, associated costs and a payment schedule. Never sign a blank contract or one with blank spaces. Make sure the contract clearly states who will apply and pay for required permits or licenses. If substantial costs are involved, have a lawyer review the contract. Keep a copy of the contract.

- Any warranties by the contractor should be written into the contract and clearly state what is warrantied, who is responsible and how long the warranty is valid.

- Get written estimates from three contractors. Compare services and prices before making a final decision. Also, read the fine print. Some contractors charge a fee for a written estimate, which is often applied to the price of subsequent repairs they make. Ask for proof of general liability insurance.

- Pay by check made out to the company, not an individual. Avoid on-the-spot cash payments. A reasonable down payment is 30 percent of the total cost of the project, to be paid upon initial delivery of materials.

- Make final payments when the work is completed. Do not sign completion papers or make the final payment until the work is completed and inspected by



FEMA

Page 2 of 3

the proper authorities to their satisfaction and yours. A reputable contractor will not threaten or pressure you to sign if the job is not finished properly.

- Federal law gives consumers a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25. Canceling a contract should be done within three business days of signing. Follow the cancellation instructions in the contract. Send the notification by registered mail with a return receipt to be signed by the contractor.
- Report problems with the contractor or incidences of fraud to the Arkansas Attorney General Consumer Protection at **800-482-8982**. Complaint forms can be completed or downloaded online at arkansasag.gov. Click the link in the red box at the bottom of the home page or email consumer@ArkansasAG.gov.
- For updates on the Arkansas response and recovery, follow the Arkansas Department of Emergency Management (@AR_Emergencies) on Twitter and Facebook and adem.arkansas.gov. Additional information is available at fema.gov/disaster/4318.

FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.



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Page 3 of 3