

keep in mind: If it
sounds
too good
to be
true...

...then
call us.

Neighborhood Housing Services
of Greater Cleveland

216.458.HOME



Creating Homeownership. Building Communities.

Neighborhood Housing Services of Greater Cleveland provides ongoing programs and services for achieving, preserving, and sustaining the American dream of homeownership, including;

- Homebuyer Education
- Down Payment Assistance
- Community Land Trust
- Loan Document Review and Closing
- Financial Capabilities Counseling
- EnergYou
- Home Maintenance Workshops
- Home Improvement Loans
- Foreclosure Intervention
- Reverse Mortgage Counseling
- NHS Consumer Law Center
- Volunteer Income Tax Assistance



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NMLS#224131



Consumer Guide

on **SELECTING A Contractor** and a guide to **Contract Basics**



SELECTING A Contractor

Shop Around

Get two to four written “estimates” or “proposals” for any job. Both approaches are legitimate and should be itemized as much as possible. **Proposals** present a range of options based on things like “the amount of money you are willing to spend” and “what the contractor is able to do”. An Example: “I have a leaky roof. What are my options in getting it fixed?”. **Estimates** offer one price and a basic product/service with no options. If you know exactly what you want, get an estimate. Example: “I have a leaky roof. Please use Brand X tar paper and Brand Y shingles.”

Record Important Information

Write down the name, address and phone number of each contractor.

Check with Others

Check with the Better Business Bureau, your local Consumer Affairs Department and others to make sure that no complaints have been filed against the contractor. If complaints were filed, check to see if they were resolved. From the contractor, get three to five references of past customers and contact them for their comments. Consider the length of time each contractor has been in business.

Verify the Insurance and Licenses

Make sure the contractor carries “comprehensive liability” and “worker’s compensation” insurance. With these, the contractor, not you, is financially responsible for any accidents on or around the jobsite. Also, check with your local building department and make sure that the contractor has a state and/or city “contractors license” to operate.

Examine Warranties

Examine the warranties on workmanship and materials - they typically last for at least a year. Ask the contractor to describe situations where he/she has honored his/her warranties.

for more information
visit us at www.nhscleveland.org
Or call 216.458.4663

CONTRACT BASICS

When you have chosen a contractor, prepare to sign a contract. If possible, give yourself a day or so to read it. Read everything and make sure you have no mis-understandings. You have the right to modify the contract to accomodate the needs of your particular project. These basics should be included:

Scheduling: start and completion dates

Product Choices: colors, brands and warranties

Right-to-Rescind Clause: This allows a time period in which the homeowner can cancel an agreement without penalty (normally 3 business days).

Clean-up Clause: consider your convenience and safety needs for each day and indicate them on the contract.

Compliance with Local Ordinances: This includes securing proper permits and should indicate that the contractor will secure ALL permits.

Contractor Warranties: Should include the duration of both “workmanship” and “materials”.

Agreed Price for Entire Project: The contractor cannot exceed this price without your approval. Beware the contractor who cannon finalize a price before beginning work.

Payment Terms: These indicate at what point(s) in the project the contractor expects payment. Know when you’ll be expected to pay.

Inspection Clause: An inspection should be conducted before work starts to establish “pre-work conditions” of the property. An inspection after the job’s completion for any property damage is advisable.

**Always be sure to read and understand the fine print.*

X _____
Signature
X _____
Sig