



The First Time Home Buyers Guide to the Home Improvement Contractor (HIC) Program

Congratulations on your new home!

Remodeling and improving your new home can be a massive undertaking. If you don't know your rights under the law you could face significant and costly problems.

Home Improvement Contractor Law

The Home Improvement Contractor Law (M.G.L. c. 142A) was created in 1992 to protect consumers and regulate the practices of home improvement contractors. The law establishes a home improvement contractor (HIC) registration requirement, an arbitration program for resolving disputes, and a Guaranty Fund to compensate consumers up to \$10,000 for unpaid judgments against contractors. The Massachusetts Office of Consumer Affairs and Business Regulation (Office) registers contractors and facilitates and administers the arbitration program and Guaranty Fund.

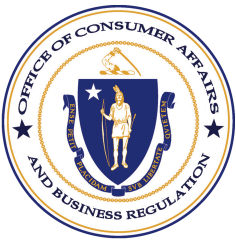
Before you begin the project

- **Think about the specific design** and consult an architect or designer if necessary. Decide on a budget.
- **Think about the materials you want to use.** Visit home improvement centers, read magazines featuring distinctive home designs, or talk to others who have completed similar renovations.
- **Clearly outline the work you want done** in a specification sheet and floor plan for potential contractors and have all contractors you interview develop quotes from the same description of work.

Before you hire a contractor

- **Interview more than one contractor.** It is best practice to interview at least three contractors and request a written detailed estimate from each.
- **Check the status of the contractor's license and registration.** You must check that the contractor or subcontractor you hire is currently registered as a Home Improvement Contractor whenever the type of work being done requires it or else you will not be protected by all aspects of the Home Improvement Contractor Law. It is advised to hire a contractor who possesses both a Construction Supervisor License and a Home Improvement Contractor Registration.
- **There are some exceptions to the registration requirement.** Contractors who do not need to be registered include installers or providers of central heating and air conditioning, energy conservation devices, landscaping, interior painting, wall and floor coverings, fencing, freestanding masonry walls, above ground pools, shutters, awnings, ground level patios, and driveways. Additionally, certain licensed professionals such as architects, electricians, and plumbers who provide services that are exclusively within the scope of their profession, as well as some part-time and small job (under \$500) contractors do not need to be registered. Should you have questions about registration requirements, you should contact The Office Consumer Hotline (617) 973-8787 or Toll Free (888) 283-3757 mass.gov/consumer





Before you sign a contract

- **Always ask for a detailed written contract and estimate**, even for small projects. It will protect you and help ensure that you and the contractor understand the scope of the job and the price. State law requires that home improvement contracts over \$1,000 be in writing. The Office can provide you with a sample contract. *See mass.gov/homeimprovement*
- **Be sure the contractor obtains the building permit**. If you apply for the permit, you *may not* be eligible to access the Guaranty Fund, if you encounter a problem.
- **The contractor cannot collect more than one-third of the cost of the contract in advance**, except for costs related to special order materials.
- **If you are financing your home improvements, comparison shop**. You have the right to choose any lender who is willing to negotiate your loan. Get a cost estimate from the contractor for the work that needs to be done, and then search around for the best financing option. Contractors are not allowed to lend you the money, or act in association with any lending institution if the loan is secured by a mortgage on your home, or offer you financing with a specific lender if your home is used as collateral.

RESOURCES

To check on a contractor's registration, complaint history or file a complaint:

Office of Consumer Affairs and Business Regulation
www.mass.gov/consumer

Consumer Hotline: (617) 973-8787

Toll Free: (888) 283-3757

Attorney General's Office

(617) 727-8400

Better Business Bureau

Serving Eastern MA (508) 652-4800

www.bbb.org/boston

Serving Central and Western MA (866) 566-9222

www.bbb.org/central-western-massachusetts/

To obtain a sample contract, applications for arbitration or the Guaranty Fund, or more information about the Home Improvement Law:

Office of Consumer Affairs and Business Regulation
(617) 973-8787 or Toll Free: (888) 283-3757

www.mass.gov/homeimprovement

For information about the home improvement process, contact professional building industry associations:

National Association of the Remodeling Industry: <http://www.nari.org>

Builders Association of Greater Boston
(617) 773-1300 <http://www.bragb.org>

Home Builders Association of Massachusetts (800) 632-8168
<http://www.hbrama.com>



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COMMONWEALTH OF MASSACHUSETTS

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