

# **Consumer Protection Workshops “Building & Home Expertise”**

## **Consumer Protection When Remodeling a Home or Business**

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- **If needed, meet with a lender and obtain the best pre-qualified loan and interest rate for your home or business remodeling project**
  - **This loan pre-qualification will help determine the maximum price of the home or business remodeling project you can afford**
  - **This loan pre-qualification may allow you to lock in the best interest rate and possibly lock this rate for a long period of time**
  - **If you choose to use financing from a remodeling contractor, be very diligent in reviewing all terms of the financing before signing any documents**

- Begin your home or business remodeling process by preparing a very detailed specification report and some drawings of your remodeling project to deliver to each of the remodeling contractors and/or subcontractors for estimating purposes**
  - Create rough drawings of the remodeling project showing dimensions, features and other specifications**
  - Create a very detailed specification list of features, products and finish ideas for your remodeling project**
  - By having this detailed specification list for your project, you are much better prepared to begin obtaining estimates from contractors and/or subcontractors**

- Continue your home or business remodeling process by considering if you want to be the general contractor of your project and possibly hire a construction consultant to assist you, or, if you want to hire a remodeling contractor who is licensed and can provide proof of insurance**
- If you choose to be the general contractor for your remodeling project, consider some very important benefits:**
  - You can choose to schedule and oversee all subcontractors yourself or you can hire a construction consultant to assist you, either way, you are in full control of the remodeling project**
  - You are in full control of all payments to each subcontractor, ensuring that each subcontractor is paid and cannot come back on you with a possible lien**
  - You are in full control of the scheduling of each subcontractor task, ensuring when each subcontractor task is completed**
  - You are in full control of the quality of work of each subcontractor, ensuring that each subcontractor completes their task in a quality manner**
  - By being your own contractor, you will have a detailed cost breakdown of each subcontractor task**

- By being your own contractor, you will have the opportunity to interview and choose each subcontractor for the needed task**
- You should request a copy of liability and workman's comp insurance for each subcontractor you choose to use on your project to ensure they are covered**
- You should request a copy of a lien waiver for each subcontractor you choose to use on your project once you pay them for their task**
- Because you are in control of the payments and have a lien waiver for each subcontractor task, this will help protect you from any future liens possibly placed by subcontractors**

- If you choose to hire a remodeling contractor, continue your home or business remodeling process by identifying and researching a handful of remodeling contractors who are licensed and can provide proof of insurance**
  - Ask for remodeling contractor referrals from friends, family members and co-workers**
  - Verify that each of the contractors are licensed and insured in your county or city**
  - Research the contractors; see if they are a member of the Better Business Bureau or other important organizations.**
  - Research the contractors to see if they were involved in any major lawsuits in the KC area**
  - Ask each of the contractors for client referrals and follow up with these clients to hear about their experiences with the contractors**

- **Continue your home or business remodeling process by interviewing at least three remodeling contractors who are licensed and can provide proof of insurance**
  - **Give a copy of your remodeling project specifications to each contractor and ask each of these contractors to give you a total price estimate with costs and features detailed out as much as possible**
  - **When interviewing each contractor, try to get a feel for their personality. Will they be easy to work with? Do they seem to be organized? Are they courteous and respectful?**
  - **Ask each contractor if they can complete your remodeling project within the time period you would like it to be completed**
  - **Ask each contractor what their payment schedule will be**
  - **Ask each contractor how many of the remodeling tasks will be subcontracted**
  - **As stated above, if you choose to use financing from a remodeling contractor, be very diligent in reviewing all terms of the financing before signing any documents**

- **Continue your home or business remodeling process by choosing a remodeling contractor who will oversee your project**
  - **Once you have decided on a remodeling contractor, begin negotiating the final contract**
  - **Make sure that the contractor total price estimate with costs and features is fully detailed out so that all of your expectations will be clearly defined**
  - **Make sure that the contractor gives you a schedule of tasks to be completed with planned dates**
  - **Once each subcontractor task is completed, ask for proof of payment for each subcontractor by the contractor. This will help ensure that a subcontractor will not come back on you with a possible lien**
  - **Unless you provide the contract for the remodeling project, I very much recommend using an attorney to fully review the contract with you before final signing**



**□ Request the inspection reports for the home or business remodeling project from the contractor or from the city or county building codes department**

- You can request all inspection reports for your home or business from the city or county codes department. These inspection reports will document and detail any major construction code violations for the home or business remodeling project**
- By having these inspection reports, you will be aware of any code violations during the remodeling construction, and if they were fully responded to and approved before final finish**

*In summary, the most important question is: Do we invest more time and energy in evaluating and researching the contractors/subcontractors who may oversee our home or business remodeling project by making a wise, informed decision? Or, do we choose a remodeling contractor/subcontractor for our home or business remodeling project without research, and possibly end up over time being dissatisfied and possibly paying a larger dollar amount to complete the remodeling of our home or business?*

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