

Consumer Tips: Avoiding Home Repair Fraud: Lessons from Hurricane Katrina

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Are you a survivor of a natural disaster? It's likely that your home is uninhabitable or in need of repairs. Here are some tips to avoid home repair fraud.

TIP 1: PREPARATION IS KEY

- First, assess your situation and prioritize your needs. Consider your financial situation and the resources available to you before you proceed.

TIP 2: RESEARCH POTENTIAL CONTRACTORS

- It's important to research a contractor's previous work before hiring someone. Get referrals from friends, colleagues, and family. Have multiple contractors evaluate your home and give you an estimate to make sure you're being offered fair, reasonable prices. Before hiring any one, ask for current certificates of personal liability, workers' compensation, and property damage coverage insurance, references from past customers, verify the contractor is licensed and registered with your state, and check their driver's license and work address.

TIP 3: TAKE CHARGE OF THE FINANCIAL PLAN AND CONTRACT

- Be in control of the contract and finances as this is your home and your money. Spell out every detail of the agreed upon work in the contract, including the start date and estimated end date of the contract period. Make sure any changes to the contract are initialed and signed by both parties. Make sure a final contract is agreed on and signed before any work begins.

TIP 4: LOOK FOR RED FLAGS

- If the contractor asks for a large sum, (anything over \$1000 or more than 10% of the total cost) don't pay it. Instead create a payment plan and hold on to the final check until all the work is completed and inspected.
- Avoid contracting with door-to-door solicitors, high-pressure sales, or "special offers". You should be the one to initiate contact.
- Keep a copy of the contractor's information (ID, contracting license, and address), the signed contract, any payments, and take photos or videos of the work as it progresses.

TIP 5: IF RIPPED OFF.....

Unfortunately you can do everything right and it still may not work out. If that happens, here are some steps you can take:

- File a complaint with your local police and state attorney general's office.
- File a complaint with the Better Business Bureau and the state agency that licenses and enforces the rules that apply to contractors.
- Consider filing a civil lawsuit to pursue restitution or punitive damages. Find a legal-aid

attorney at: <https://www.lsc.gov> or a National Association of Consumer Advocates attorney at: <https://www.consumeradvocates.org/find-an-attorney>

More advice and materials about other consumer issues related to survivors of natural disasters can be found at <https://www.nclc.org/issues/disaster-relief-consumer-protections.html>.

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