

Hiring a Reputable Contractor

When your home has been damaged by any type of disaster, hiring a reputable contractor to conduct repairs is an important step in the recovery process. This fact sheet outlines critical points to consider when hiring a contractor. Permanent repairs should not be made until you receive the go-ahead from your insurance company. Once your insurance company has communicated their assessment of damages, you can then proceed with making permanent repairs to your home. Any questions about your insurance claim should be directed to your insurance agent or the company's claims department.

When hiring a contractor, make sure you do your homework. Homeowners are urged to thoroughly review a builder or remodeler's record with the Texas Residential Construction Commission (TRCC), and check their references before signing any work contract or agreement. A builder or remodeler may not construct new homes or engage in remodeling projects that change the living area of the home or that cost more than \$10,000 for interior renovations in Texas without first registering with the commission ([https://www.trcc.state.tx.us/\(q1yqbiycthomalz4yxumur45\)/recordsearch.builders.aspx](https://www.trcc.state.tx.us/(q1yqbiycthomalz4yxumur45)/recordsearch.builders.aspx)).

Plan for success. Get three bids so that you will be knowledgeable about the going rate for work. The bids you receive should be in writing and contain an itemized list of products, labor, and materials charges. It should also include a timetable. Material and product allowances should give prices and quantities. Compare services and prices before making a final decision. The lowest price is not always the best choice.

Choose contractors who provide proof of registration and/or license. Ask for proof of registration and/or contact TRCC to make sure you are dealing with a reputable, registered company. Registered builders/remodelers should have a commission-issued registration certificate and/or wallet card to verify proof of registration. Cities and local municipalities are required to verify registration. The commission adopted a set of limited warranties and building and performance standards. The adopted limited warranties include:

- one-year workmanship and materials warranty,
- two-year mechanical and delivery system warranty,
- 10-year structural warranty, and
- 10-year warranty of habitability.

Make sure the contractor is licensed to do business in Texas and that he has proper general liability and workers' compensation insurance. Check with your local government for permit requirements, and confirm with the contractor who is responsible for paying for permits

Get references from recent jobs. Reputable contractors will be happy to provide names and contact information for satisfied customers. If possible, go to the site and view the work. You can then judge for yourself if the work meets your standards.

Check with the Better Business Bureau for filed complaints. Also contact the attorney general's office at 1-800-252-8011. Should you encounter a problem or fraud later on, report it to the Consumer Protection Hotline at 1-800-621-0508.

Who will do the work? You can work with a general contractor who will oversee the work and hire the separate craftsmen, or you can oversee the job yourself and do the hiring yourself.

Obtain a contract. A written contract will specify what will be done to complete the job, the associated costs, and the payment schedule. Never sign a blank contract or one with blank spaces. Make sure you understand all of the terms of the contract before signing. In Texas, any contract for work to be done on your homestead **MUST** contain the following statement next to the signature space:

“Important Notice: You and your contractor are responsible for meeting the terms and conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this contract, you may lose your legal ownership rights in your home. **KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.”**

Because the contractor can legally place a lien on your home if you do not make payments, you could lose your home. Make sure you can meet all of the obligations under the contract before you sign. You should consult an attorney if you have any questions.

Stick with the plans. Making changes after work begins could lead to cost overruns and delays.

Pay by check. Write out the check to the contracting company, not an individual. A reasonable down payment of 30 percent of the total project can be paid upon initial delivery of materials.

Make final payments only when the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign documents if the job is not finished.

Hiring a mold remediation contractor? Licenses are required for individuals who inspect, analyze, and recommend remediation actions (**mold assessors**) and people who engage in the business of correcting mold problems (**mold remediators**). To do either, Texas law requires a license from the Texas Department of State Health Services. For more information on this topic, read Texas AgriLife Extension Service's publication ER-027, *Selecting Mold Remediation Contractors*, at: <http://texashelp.tamu.edu/011-disaster-by-stage/pdfs/recovery/ER-027-selecting-mold-remediation-contractors.pdf>.