

Home Repairs, Part 2 - When Problems Happen

"The way I see it, if you want the rainbow, you gotta put up with the rain." -- Dolly Parton

It's nice to finally get home repairs and improvements finished – but along the way there can be a few "storms." Here are legal tips about the main disagreements that arise between homeowners and contractors: changes, money issues, and getting the job finished properly.

Q. What if I need to make changes after the work begins?

You and the contractor should agree in writing on any changes in the work or the price. Both of you should sign the paper describing the changes.

Q. When do I need to pay for the work?

It is a good idea for your contract to say you will:

- pay no more than 30 to 35 percent at the start;
- make progress payments as the work is done; and
- hold back 20 or 25 percent at the end until the work and "punchlist" are complete.

The punchlist is your written list of final details or problems that need to be fixed.

Q. What if I need to borrow money to pay for the work?

Do not sign a contract until you know how you will pay your contractor. It is best to wait until you have saved up enough money to pay for the repairs or improvements.

Sometimes a contractor will offer ahead of time to let you make payments after the job is finished. Your contract should state how much interest (extra money) you will pay when you do this. If repairs are essential and you need to borrow the money, try to get a loan with lower interest from your bank or another lender.

Q. What if I sign the contract and then decide not to have the work done?

You may be able to change your mind within 3 days, but only if:

- you signed the contract at your home, or
- you borrowed money through a mortgage loan to pay for the work.

You have to write and mail a letter saying the contract or mortgage agreement is cancelled. You do not have to give a reason.

The contractor usually waits three days to start the work. If there is an emergency and the work has to be done right away, you can give an okay in writing.

Q. What should I do at the end?

When your contractor says the work is finished, check it carefully. Do not pay the final payment until the work is okay and all punchlist items have been completed.

If you got a loan to pay for the work, do not sign anything saying that the work is done until you know that the work is finished and okay.

If you find problems, ask the contractor to fix them. If the contractor refuses to fix the problems, do not pay the rest of the money for the work.

If the contractor won't finish the job, or you find problems after you have paid and the contractor will not fix them, you may need a lawyer. You may also contact these offices:

- Tenn. Division of Consumer Affairs – (615) 741-4737 or 1-800-342-8385
- Tenn. Home Improvement Commission – (615) 741-5630 or 1-800-544-7693
- Better Business Bureau of Middle Tenn. – (615) 242-4222

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Note: This community education column from the Legal Aid Society is not intended to take the place of legal advice. All cases are different and need individual attention. Consult with a private attorney of your choice to review the facts and law specific to your case.

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