

## **Maine Attorney General Home Construction Warning** **Contractors Must Include This Statement** **With Any Home Construction Contract for More Than \$3,000**

If you are thinking about building a new home or repairing your existing home, here are some things you should know.

### **Contractors Are Not Licensed – Buyer Beware!**

Home contractors are not licensed or regulated by the State of Maine. The old saying “Buyer Beware” applies. While some towns and cities have adopted building codes and enforced them, others have not. We recommend that you talk to your town’s code officials before you begin construction. Although home construction contractors are not licensed, some building trades are licensed. Plumbers, electricians, oil burner technicians, and installers of mobile and modular homes are licensed in Maine. For more information on these licensed trades, go to [www.maine.gov/pfr/pfrhome.htm](http://www.maine.gov/pfr/pfrhome.htm).

### **Always Check Contractor References**

The Attorney General receives more complaints about home contractors than about almost any other business. We *strongly* recommend that you ask any contractor you are considering hiring for several references and that you follow up on them. It is also a good idea to check with your local building supply companies or real estate brokers. They will know the dependable contractors in your area.

### **Written Contracts Are Required**

For all home construction and home improvement projects over \$3,000, Maine law requires a written contract with a specific provision that prohibits payment up front of more than one third of the contract price. When a contractor asks you for any money up front, make sure that the money is being used to purchase materials for your project. Ask for receipts and for a lien waiver from subcontractors. A model contract that meets the State law can be found in Chapter 18 of the *Maine Attorney General’s Consumer Law Guide*. Go to [www.maine.gov/ag/index.php?r=clg&s=chap18](http://www.maine.gov/ag/index.php?r=clg&s=chap18).

### **Be Careful with Construction Loans**

If a lender is financing your construction project, make sure that you know your lender and that you understand how your loan proceeds will be disbursed and how subcontractors will be paid.

### **Home Contractor Complaints Received by the Attorney General**

For a listing of home contractors the Attorney General’s Consumer Mediation Service has received complaints against, go to [http://www.maine.gov/ag/consumer/contractor\\_complaints.shtml](http://www.maine.gov/ag/consumer/contractor_complaints.shtml). You can also call the Attorney General’s Consumer Protection Division at 1-800-436-2131. The Better Business Bureau also provides information on companies. Go to [www.bosbbb.org](http://www.bosbbb.org) or call (207) 878-2715.

### **Home Contractors the State Has Sued**

In the recent past the State has successfully sued the following home contractors for poor workmanship or failure to complete jobs: *State of Maine v. CBS Enterprises (Kimberly Mark Smith and David J. Blais)*, *Default Judgment in CBS Enterprises*, *State of Maine v. Frederic Weinschenk d/b/a Ric Weinschenk Builders, Inc.*, *State of Maine v. Stephen Lunt d/b/a Lakeview Builders, Inc.*, *State of Maine v. Bob Burns d/b/a Better Homes*, *State of Maine v. Albert H. Giandrea d/b/a AG's Home Quality Improvements, Inc.*, *State of Maine v. Al Verdone*, *State of Maine v. Mikal W. Tuttle, d/b/a MT Construction*, *DMI Industries, Inc.*, and *MT Construction, Inc.* The Androscoggin County District Attorney has obtained a theft conviction against home contractor *Harold Soper. State of Maine v. Harold Soper.* Even when our law suits have been successful, we have been unable to collect a significant portion of the judgments because the builders are bankrupt, judgment proof, or have left the state. We strongly recommend that you research a contractor's record before you begin any construction project.

### **Your Home Construction Rights**

Chapter 17 of the *Maine Attorney General's Consumer Law Guide* explains your rights when constructing or repairing your home. Chapter 18 of the *Consumer Law Guide* is a model home construction contract that meets the statutory requirements for any home construction contract over \$3,000. Go to <http://www.maine.gov/ag/index.php?r=clg>.

**As of September 1, 2006 this entire statement must be an addendum to any home construction contract for more than \$3,000, as required by 10 M.R.S.A. Chapter 219-A.**