

HOME IMPROVEMENTS

Introduction

Under New York law, a “home improvement contract” is an agreement between a homeowner and a home improvement contractor (one whose yearly earnings from home improvement contracts exceeds \$1,500) for home improvements costing more than \$500.

Every home improvement contract must be in writing, in plain English and signed by all parties to the contract. All home improvement contracts and include the following information:

- The name, address, telephone number and license number, if any, of the home improvement contractor.
- The approximate or estimated dates when the work will begin and be substantially completed and a statement of contingencies that would materially change the completion date. The contract must also state whether a definite completion date is “of the essence,” meaning, whether the contractor absolutely must have the work completed on the specified date in order to complete his or her part of the bargain.
- A specific description of the work to be performed, the materials to be provided by the contract (including makes and model numbers) and the agreed upon compensation for the work and materials.
- A schedule of progress payments, if the contract calls for one or more payments before substantial completion of the work, showing the amount of each payment and the stage of completion of the work, including any materials to be supplied before each progress payment is due.
- The amount of each progress payment must bear a reasonable relationship to the amount of work to be performed, materials to be purchased or expenses to be incurred. If the contractor is to be paid hourly or on other specified time basis, then payments made shall not be considered “progress payments” and shall not be subject to the requirements in 4 and 5.

Decorative Wall Paneling Industry Guides

The Federal Trade Commission’s **Guides for the Decorative Wall Paneling Industry**, effective since December 1972, advise manufacturers, retail distributors, and other suppliers of decorative wall panels about labeling, advertising, and promoting their products in a manner consistent with Section 5 of the FTC Act. Section 5 of the FTC Act prohibits unfair methods of competition and unfair or deceptive acts or practices.

The Guides also are designed to protect purchasers from being misled by the appearance of a product, or by deceptive descriptions, depictions, designations, or representations in advertisements, labels, or other promotional materials. They give consumers examples of non-deceptive references and representations with respect to the construction, composition, or appearance of industry products and point out that it

is the seller who bears the affirmative responsibility of providing detailed disclosures regarding the composition of the products being offered.

Available Remedies for Consumers

1. Owners who are induced to contract for a home improvement in reliance upon fraudulent written representations may sue and recover for any actual damages sustained. In addition, injured consumers may sue and recover from the guilty contractor a penalty of \$500, plus reasonable attorney's fees.
2. Where a contractor violates any provision of home improvement law, the attorney general may, on behalf of the people of the state of New York, seek costs, civil penalties and an injunction to prevent any further violations.

Home Improvement Suggestions

- Start your search for a contractor by calling someone who has worked for you before or comes recommended by your friends, neighbors or relatives.
- Look for signs that the contractors you are considering are reliable.
- Take the time to learn what's involved in the type of improvement you want.
- Get more than one estimate, especially on big jobs.
- When you're down to one or two contractors, get the names of previous customers who had the same type of improvement that you are considering.
- Be home while the work is in progress.
- Don't sign a certificate of completion or make your final payment until all subcontractors have been paid and the work is finished to your satisfaction.

Complaints

Complaints about contractors should be made to the local agency responsible for licensing home improvement contractors. If there is no licensing agency in your city or county, complaints should be made to the local consumer agency, the New York State Attorney General or the New York State Consumer Protection Board.