



Village of
BELLWOOD
Your Family Is Our Future

3200 Washington Blvd.
Bellwood, Illinois 60104-1984
708.547.3500

Office of the Building Commissioner

To: Homeowners and Residents of the Village of Bellwood
From: Robert Soto, Building Commissioner
Date: March 2, 2009
Ref: Avoiding Home Repair Fraud

The spring remodeling season is just around the corner. Just as the early spring flowers are ready to burst forth and bloom, so it is with some unscrupulous contractors. This year, especially in light of the tougher economic times we all face, it is important that you as homeowners protect yourself from the actions of undesirable contractors.

The State of Illinois passed Public Act 91-0230 several years ago which deals with your rights as a homeowner and the responsibilities the contractor must adhere to in contracting for and performing certain types of home repairs. You should be aware of the law and its requirements.

The Village of Bellwood also wants to remind you to be aware of your rights when it comes to dealing with contractors. Most contractors working in Bellwood are decent, hard-working and reliable, but caution is always wise.

BE AWARE that the goal of a con artist is to separate you from your money. Con artists are often well dressed, talkative, intelligent and persistent. They frequently target the elderly and persons of their own ethnic heritage.

BE WARY of unsolicited and hurried sales opportunities. Take the time to shop around for goods and services and don't be pressured into making on-the-spot decisions. Don't make decisions based solely on price. Don't trust anyone who says, "This price is available only if you sign today". Remember that good deals are like buses - there will always be another.

DON'T BE AFRAID to say "NO!", close your door, hang up the telephone, or throw away solicitations.

DON'T BELIEVE anyone who claims that you've won a contest that you did not enter, especially from an out-of-state company. Remember, that if you have to pay fees, taxes or order merchandise to receive your "prize", it's probably a con.

BE SKEPTICAL about a company that only uses a post office box with no street address or telephone number. If you are given a telephone number, it's a good idea to check whether it is listed in the company's name. You may do this by calling the reverse directory service at (area code of contractor) 796-9600 and punching in the telephone number.

BE CAUTIOUS about doing business with a new or troubled company. Take time to investigate a company. Don't hesitate to ask for references, identification and licenses. Call the Better Business Bureau of Chicago & Northern Illinois to obtain a reliability report about a company at (312) 832-0500.

READ CONTRACTS carefully before signing. Make sure that all of the important promises and representations made to you by the salesperson are written in the contract.

DON'T SIGN a contract that contains blank spaces and always get a copy of the contract you signed. Keep in mind that the three (3) day "cooling off" period generally applies only to contracts signed at your home. Consider all other contracts to be final.

About Avoiding Home Repair Fraud

FIND A REPUTABLE CONTRACTOR through referrals from satisfied customers or through recommendations from local utility companies, local building inspectors or your insurance company. Ask the contractor for references and a written estimate.

DON'T PAY IN ADVANCE for the entire job before the work has started and don't make a final payment until you are satisfied. Note, however, that advance payment of a small deposit or for building materials is customary and fair.

BE SKEPTICAL of anyone who claims to have just completed a nearby home repair job and offers you a great price because there are leftover materials.

INVESTIGATE to determine if the contractor is properly licensed and insured. Contact your local building inspector and the Better Business Bureau of Chicago & Northern Illinois (312-832-0500) to obtain a reliability report about the contractor.

OBTAIN LIEN WAIVERS from the general contractor. Suppliers and subcontractors have a right to file a lien against you if the general contractor fails to pay them.

EXERCISE GREAT CARE in taking out a home equity loan for home repair work - you could lose your home if you default. Pay attention to the "Total of Payments" or the "Total Sale Price" shown in the loan documents. Often the total amount you'll owe for the loan will be double or even triple the amount you borrowed after fees and interest payments are added.

Tips To Avoid Home Repair Fraud

Get more than one estimate, and get them in writing.

Don't fall for high pressure sales tactics and prices that seem "too good to be true".

Get the name and address of the business and check old phone books to see how long they have been in business.

Inspect the contract carefully. Check to see that it includes:

1. The contractor's full name, address and telephone number.
2. A description of the work to be performed.
3. Starting and estimated completion dates.
4. Total cost of work performed including charges for estimates.
5. Schedule and method of payment, including down payment, subsequent payments and final payment.

Do not sign a contract that has blank spaces or one that you do not understand.

Find out whether the contractor guarantees his or her work and products.

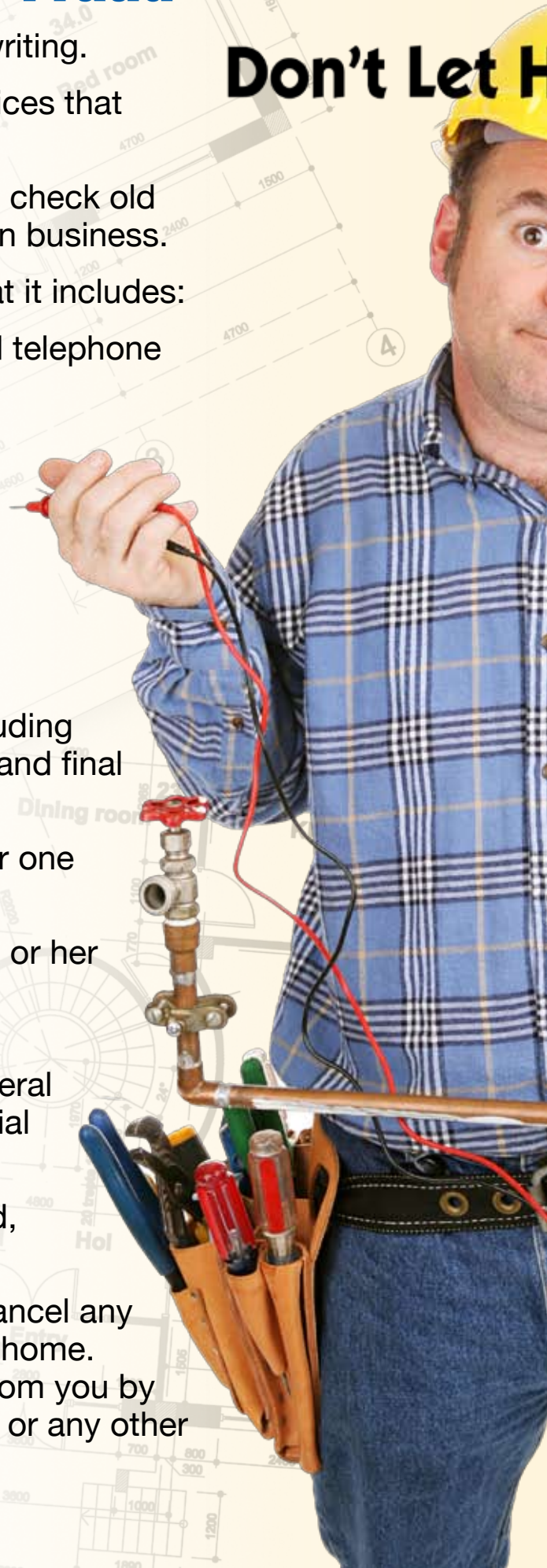
Get lien waivers. This protects you from claims against you or your property in the event a general contractor fails to pay subcontractors or material suppliers.

Don't make final payment until you are satisfied, and all subcontractors have been paid.

Remember, you have three business days to cancel any contract if the sale is made and signed at your home. The contractor CANNOT take this right away from you by initiating work, selling your contract to a lender or any other tactic.

Don't Get Nailed by Home Repair Rip-Offs

Don't Let H





lim Fool YOU!

Be On Alert If And When...

Unsolicited door-to-door salespeople with no local connections offer to do home repair work for substantially less than market price.

A company which lists only a telephone or post-office box number solicits for repair work.

A contractor refuses to provide proof of insurance and references when requested.

Someone offers to inspect your home for free without authentic identification establishing their business status.

A contractor demands cash payment and/or full payment before they complete a job.

A contractor asks for a check payable to a third party.

A contractor offers to drive the homeowners to his/her bank to withdraw funds to pay for their work.



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Home Repair And Remodeling Act

Contractors Are Required By Law To:

- ✓ Furnish the customer with a written contract for any repair or remodeling work that costs over \$1,000. Both the customer and contractor must sign this contract.
- ✓ Provide the customer with a signed copy of the “Home Repair: Know Your Consumer Rights” pamphlet for jobs costing over \$1000 and with the simple document for jobs under \$1000.
- ✓ Carry minimum amounts of insurance for property damage, bodily injury and improper home repair.



Definition Of Home Repair According To Illinois Public Act 91-0230



“Home repair and remodeling” includes:

The construction, installation, replacement or improvement of driveways, swimming pools, porches, kitchens, bathrooms, basements, chimneys, chimney liners, garages, fences, fallout shelters, central air conditioning, central heating, boilers, furnaces, electrical wiring, sewers, plumbing fixtures, storm doors, windows, roofs, awnings and other improvements to structures within the residence or upon the land adjacent to the residence.

“Home repair and remodeling” does not include:

The sale, installation, cleaning or repair of carpets; the repair, installation, replacement or connection of any home appliance including, but not limited to, disposals, refrigerators, ranges, garage door openers, televisions or television antennas, washing machines, telephones, hot water heaters, satellite dishes or other appliances when the persons replacing, installing, repairing or connecting the home appliance are employees or agents of the merchant that sold the home appliance or sold new products of the same type; or landscaping.

If you believe that your rights under this law have been violated please contact either the Illinois Attorney General or the Cook County State's Attorney office directly.

ATTORNEY GENERAL CONSUMER FRAUD HOTLINES

SPRINGFIELD

500 South Second Street
Springfield, IL 62706
1-800-243-0618
TTY: 1-877-844-5461

CARBONDALE

1001 East Main Street
Carbondale, IL 62901
1-800-243-0607
TTY: 1-877-785-9339

CHICAGO

100 West Randolph Street
Chicago, IL 60601
1-800-386-5438
TTY: 1-800-964-3013

COUNTY OFFICES

Consumer Fraud Division
Cook County State Attorney's Office
69 West Washington, Suite 3130
Chicago, IL 60602
312-603-8600
312-603-8700 (Consumer Line)
Fax: 312-603-9830
E-mail: consumer@cookcountygov.com.
Website: www.statesattorney.org/consumerfraud.htm

This brochure is provided as a public service
to the citizens of the Village of Bellwood.
The material was obtained from various web sites.



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placed on your home for the services rendered or materials supplied by the subcontractor.

Ask your contractor if any of the work will be subcontracted; if so, get a waiver on any and all liens as proof that the contractor has paid for the materials used on your job. It is very important that you pay attention to the identity of persons actually appearing to perform the work at your home. If the person is a subcontractor (someone other than whom you've signed a contract with) make sure you talk to him before he begins to perform work on your home.

- Ask the person to identify himself and the company that sent him to your home.
- Find out from subcontractor who he expects to pay him.

Never sign a completion certificate until all work mentioned in the contract has been done per that agreement, be careful not to sign such a certificate along with the sales order. Sign such a certificate only after you have been assured the contractor has paid for all labor and materials used.

If you sign a contract in your home, remember you have three business days during which you may cancel the contract. Such contracts can be cancelled without penalty by sending a signed and dated notice to the company within the time allotted.

Send any notice by certified mail - return receipt requested.

What about Home Equity Loans?

Be careful about home equity loans. They have been a rich area for fraud. Besides, while a home equity credit line may allow you to take tax deductions you cannot take with other types of loans, your home is at risk if you cannot make the payments.

Look out for:

- Lenders who actively solicit you, especially if they have information about your personal financial situation.
- Statements like: "No income or credit check - if you have equity, we guarantee the loan."
- Reluctance to clearly disclose all the terms of the loan
- Lenders that don't appear to have a regular place of business or to be established in the community.

If you have any questions or wish to file a complaint, call the:

**Cook County
State's Attorney's Office
Consumer Fraud Unit
(312) 603-8700**

HOME REPAIR FRAUD



**ANITA ALVAREZ
Cook County State's
Attorney**

Consumer Fraud Unit
69 West Washington
Suite 3130
CHICAGO, ILLINOIS 60602
PHONE: (312) 603-8700

HOME REPAIR FRAUD

Bogus and substandard services and products for the home rank high among the leading causes of consumer complaints across the country. Home improvement sales - siding, roofing, storm windows, and similar transactions - generate so many consumer complaints that they are often considered the classic form of consumer abuse.

Crooked salesman and "contractors" often appear in neighborhoods, looking especially for elderly homeowners who may be vulnerable to high pressure tactics and young, first-time homeowners whose inexperience may make them susceptible to scams.

Both home maintenance/improvement and real estate transactions can be loaded with traps for the unwary. There are signs of fraud consumers can look for, however, and steps they can take to avoid being victimized.

What are some potential signs of fraud?

- Someone comes to your door claiming to have "just finished a roofing (or driveway paving/ painting/ siding) job down the street" because he has materials left over he can give you a "great price."

- Person wanting advance payment or cash, rather than requesting a check or money order be sent to the company itself.
- Prices that are far too low.
- Salespersons who try to pressure you into signing a contract using scare tactics or threats, such as "this price is available only if you sign today."
- Promises of a great price if you permit your home to be used "for advertising" (or as a model or show-house) or offer of discounts for finding other customers.
- Companies using a post office box with no street address or telephone number, or who give a local motel as their address.
- Contractors who won't give you references.
- You can't verify that the contractor is licensed, insured and/or bonded.
- Full payment is required before the work is done, "to get this fantastic price."

What should I do to get the job done right?

- Know what you want done before talking to contractors.
- Get detailed estimates from several reputable, licensed contractors.

- Avoid companies that solicit you door-to-door or by telephone.
- Ask for references and check them.
- Find out the licensing, permit and inspection requirements from your local building inspections department.
- Insist on a complete written contract. The contract should include the contractor's name, address, telephone number and professional license number; the work to be done and the materials to be used; timetables and payment schedules; the names of any subcontractors; construction completion date; financing information; any warranty agreements; and stipulate that all necessary building permits or licenses will be obtained.
- Know that for home repairs over \$500.00, the contractor must give you a pamphlet entitled "Home Repair: Know Your Consumer Rights."
- Know that you have contract cancellation rights (usually three business days) in most home improvement contracts.

What can I do to avoid a subcontractors lien on my house?

A contract for home repair that involves subcontractors should clearly state who the subcontractors are, what jobs they will perform and whether the home owners or the general contractor will directly pay them. If you fail to find out this information from the subcontractor you are likely to have a lien

(10) Remember, homeowners should know who provides supplies and labor for any work performed on their home. Suppliers and subcontractors have a right to file a lien against your property if the general contractor fails to pay them. To protect your property, request lien waivers from the general contractor.

BASIC TERMS TO BE INCLUDED IN A CONTRACT

(1) Contractor's full name, address, and telephone number. Illinois law requires that persons selling home repair and improvement services provide their customers with notice of any change to their business name or address that comes about prior to the agreed dates for beginning or completing the work.

(3) A description of the work to be performed.

(4) Starting and estimated completion dates.

(5) Total cost of work to be performed.

(6) Schedule and method of payment, including down payment, subsequent payments, and final payment.

(6) A provision stating the grounds for termination of the contract by either party. However, the homeowner must pay the contractor for work completed. If the contractor fails to commence or complete work within the contracted time period, the homeowner may cancel and may be entitled to a refund of any down payment or other payments made towards the work, upon written demand by certified mail.

Homeowners should obtain a copy of the signed contract and keep it in a safe place for reference as needed.

**IF YOU THINK YOU HAVE BEEN
DEFRAUDED OR HAVE
QUESTIONS CONTACT OUR
OFFICE OR THE ILLINOIS
ATTORNEY GENERAL'S OFFICE.**

**Cook County State's Attorney
Consumer Fraud Unit
Assistance Line: (312) 603-8700**

**Walk-in complaints accepted at:
69 W. Washington Street
Suite 3130
Chicago, Illinois 60602**

**Contact office online at:
consumer@cookcountygov.com**

**Attorney General
Toll-Free Numbers:**

Carbondale	(800) 243-0607
Springfield	(800) 243-0618
Chicago	(800) 386-5438



HOME REPAIR:

KNOW YOUR CONSUMER RIGHTS



**ANITA ALVAREZ
Cook County State's Attorney**

**Public Interest Bureau
Consumer Fraud Unit
69 West Washington, Suite 3130
Chicago, Illinois 60602
(312) 603-8600**

www.statesattorney.org

As you plan for your home repair improvement project, it is important to ask the right questions in order to protect your investment. The tips in this fact sheet should allow you to protect yourself and minimize the possibility that misunderstanding may occur.

AVOIDING HOME REPAIR FRAUD

Please use extreme caution when confronted with the following warning signs of a potential scam:

- (1) Door-to-door salespersons with no local connections who offer to do home repair work for substantially less than the market price.
- (2) Solicitations for repair work from a company that lists only a telephone number or a post-office box number to contact, particularly if it is an out-of-state company.
- (3) Contractors who fail to provide customers references when requested.
- (4) Persons offering to inspect your home for free. Do not admit anyone into your home unless he or she can present authentic identification establishing his or her business status. When in doubt, do not hesitate to call the worker's employer to verify his or her identity.
- (5) Contractors demanding cash payment for a job or who ask you to make a check payable to a person other than the owner or company name.
- (6) Offers from a contractor to drive you to the bank to withdraw funds to pay for the work.

Consumer Rights Acknowledgment Form

Homeowner Keep This Part & Pamphlet

I, the homeowner, have received from the contractor a copy of the pamphlet entitled "Home Repair: Know Your Consumer Rights."

Signature (Homeowner) Date

Signature (Contractor or Representative)

Date

Name and Address of Contractor's Business

Consumer Rights Acknowledgment Form

Contractor Keep This Part Only

I, the homeowner, have received from the contractor a copy of the pamphlet entitled "Home Repair: Know Your Consumer Rights"

Signature (Homeowner) Date

Signature (Contractor or Representative)

Date

Name and Address of Contractor's Business

CONTRACTS

- (1) Get all estimates in writing.
- (2) Do not be induced into signing a contract by high-pressure sales tactics.
- (3) Never sign a contract with blank spaces or one you do not fully understand. If you are taking out a loan to finance the work, do not sign the contract before your lender approves the loan.
- (4) Remember, you have three business days from the time you sign your contract to cancel any contract if the sale is made at your home. The contractor cannot deprive you of this right by initiating work, selling your contract to a lender, or any other tactic.
- (5) If the contractor does business under a name other than the contractor's real name, the business must either be incorporated or registered under the Assumed Business Name Act. Check with the Secretary of State to see if the business is incorporated or with the county clerk to see if the business has registered under the Assumed Business Name Act.
- (6) Homeowners should check with local and county units of government to determine if permits or inspections are required.
- (7) Determine whether the contractor will guarantee his or her work and products.
- (8) Determine whether the contractor has the proper insurance, including liability and worker's compensation insurance.
- (9) Do not sign a certificate of completion or make final payment until the work is done to your satisfaction.

Buyer's Name

Buyer's Address

Notice of Cancellation

(Enter Date of Transaction)

Date

You may **CANCEL this** transaction, without any Penalty or Obligation, within **THREE BUSINESS DAYS** from the above date.

If you cancel, any property traded in, any payments made by you under the contract of sale, and any negotiable instrument executed by you will be returned within **TEN BUSINESS DAYS** following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the sellers expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or

any other written notice, or send a telegram, to _____, at _____,
Name of Seller Address of Seller's Place of Business

NO LATER THAN MIDNIGHT OF _____
Date

I HEREBY CANCEL THIS TRANSACTION

Date

Buyer's Signature

Buyer's Certification

I hereby certify that I received two copies of the above notice on _____.

Date

Customer's Signature

We propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

_____ dollars (\$ _____)

Payment to be made as follows: _____

Down payment due by: _____

Final payment due by: _____

All material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature: _____

Acceptance of Proposal The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____ Signature: _____

Signature: _____

"You, the consumer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."