

Wednesday, September 6, 2006

DCA CITES 135 UNLICENSED HOME IMPROVEMENT CONTRACTORS IN NEW EFFORT TO PROTECT HOMEOWNERS

Reduced Fines Offered in Exchange for Resolving Consumer Complaints & Getting Licensed

The New York City Department of Consumer Affairs (DCA) today announced its citing of 135 unlicensed home improvement contractors as part of a new effort to better protect homeowners from repair and improvement headaches. The 135 contractors cited were identified through leads from consumer complaints received over the past four months, and are being offered for the first time the opportunity to pay reduced fines if they both get licensed and resolve all outstanding complaints. Contractors that fail to get licensed or resolve complaints will face maximum penalties, which can include \$100 for every day of unlicensed activity, as well as seizure of their vehicle and tools.

"Home improvement headaches top the list of all consumer complaints we receive - we're hoping this experiment helps resolve complaints quickly and encourages these businesses to do the right thing," said DCA Commissioner Jonathan Mintz. "The best way we can protect and help homeowners is if the contractor they hire is licensed."

By law, soliciting or performing home improvement work costing more than \$200 requires a license from DCA to operate legally in New York City. Home improvement work can be any type of remodeling or repair including: basements, central heating/air conditioning, cabinet installation, flooring, central vacuum cleaning system, driveways, fences, garages, patios, porches, roofing, storm windows, swimming pools, and terraces. Landscaping is also considered home improvement.

"Aggressive enforcement of unlicensed contractors helps maintain a level playing field for the industry," said Bob Bernabe, President of Bernabe Home Improvement Inc. and Vice President/Grievance Committee Chairman of the Home Improvement Contractors Association of Staten Island. "Unlicensed contractors need to be reminded there are consequences for working illegally, while homeowners may try to cut corners and have problems later on – the DCA's efforts will provide a fair opportunity to accomplish both goals."

The DCA has embarked on aggressive enforcement, maximized by strategic outreach efforts, to combat increasing consumer complaints. During fiscal year 2006, 179 vehicles owned by unlicensed home improvement contractors were seized by the DCA, while nearly \$900,000 in consumer restitution was returned through the agency's Home Improvement Trust Fund and successful mediation efforts. The DCA recently partnered with other government agencies, nonprofit organizations and the Home Improvement Contractors Association of Staten Island to hold a public forum in Canarsie, Brooklyn, on best industry practices. Another forum is planned for the fall.

Licensed contractors must undergo a criminal history check, pass a written examination on their knowledge of the law and contracts, and contribute to the DCA Home Improvement Contractor Trust Fund at the time of application and each time they renew, or post a bond. The Home Improvement Trust Fund can reimburse homeowners - up to a maximum of \$15,000 - if the licensed contractor they hired

subsequently damaged their home and went out of business or left town.

"People's homes are often their most important investment. The best way New Yorkers can protect themselves when hiring someone to make repairs or improvements is to make sure the contractor has a valid DCA license and that they are using legitimate contract terms," added Commissioner Mintz. "Check on complaint and violation histories, and never pay in cash or more than one-third upfront."

For license applications, to file a complaint, to check a vendor's complaint history, or to request a copy of the *DCA Home Improvement Consumer Guide* with a sample contract, call 311, or use DCA's Instant Online License Check found at www.nyc.gov/consumers.

Homeowners Tips:

- **Always use a licensed contractor.** Make sure that the person you are *negotiating* with is a licensed home improvement salesperson and authorized to negotiate a contract on behalf of the contractor.
- **Check complaint histories** by calling 311, or use the [DCA Instant Online License Check](#). **Get references.**
- **Never pay in cash.**
- **Don't pay more than one-third of the total amount upfront** and continue with 'progress' payments as work continues.
- **Know your contract rights.** Homeowners have the right to cancel any contract within three days. A sample contract is available on the DCA Web site at www.nyc.gov/consumers.
- **Don't finance improvements or repairs through your contractor.** If a home improvement contractor tries to arrange financing, file a complaint immediately with the DCA. It is illegal for contractors to carry loan papers when soliciting home improvement work or to otherwise arrange for financing of home improvement work. If financing is needed for repairs or improvements, instead investigate options on your own at your bank or credit union.