

- The payment schedule.
- A written statement of your right to cancel the contract within three (3) business days if the contract was signed in your home, or at a location other than the seller's permanent place of business.

## THE "HOME IMPROVEMENT" LOAN SCAM

A contractor calls or knocks on your door and offers to install a new roof or remodel your kitchen at a price that sounds reasonable. You tell him you're interested, but can't afford it. He tells you it's no problem – he can arrange financing through a lender he knows. You agree to the project, and the contractor begins work. At some point after the contractor begins, you are asked to sign a log of papers. The papers may be blank or the lender may rush you to sign before you have time to read what you've been given to sign. You sign the papers. Later, you realize that the papers you signed are a home equity loan. The interest rate, points and fees seem very high. To make matters worse, the work on your home isn't done right or hasn't been completed, and the contractor, who may have been paid by the lender, has little interest in completing the work to your satisfaction.

You can protect yourself from inappropriate lending practices. Here's how:

### DON'T:

- Sign any document you haven't read or any document that has blank spaces to be filled in after you sign.
- Let anyone pressure you into signing any document.
- Deed your property to anyone. First, consult an attorney, a knowledgeable family member, or someone else you trust.



**MATHIAS H. HECK, JR.**  
Prosecuting Attorney

For further information call:  
Montgomery County Prosecutor's Office  
Fraud and Economic Crimes Division  
301 West Third Street, 5th Floor  
Dayton, Ohio 45402  
(937) 225-4747  
[www.mcpc.com](http://www.mcpc.com)



# HOME IMPROVEMENT SCAMS

**MATHIAS H. HECK, JR.**  
Prosecuting Attorney

Montgomery County Prosecutor's Office  
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Whether you're planning a room addition or simply getting new storm windows, finding a competent and reliable contractor is the first step to a successful and satisfying home improvement project. Your home may be your most valuable financial asset. That's why it's important to be cautious when you hire someone to work on it. **GET THE FACTS.** Learn how to protect yourself from crooked salesmen and contractors who are looking for homeowners who may be vulnerable to their high-pressure tactics and hollow promises.

## DON'T GET NAILED

Here are some tip-offs that the company you're dealing with may not be reputable:

- wants full payment prior to starting the job.
- solicits door-to-door.
- just happens to have material left over from a previous job.
- does not list a business number in a local telephone directory, or operates from a post office box.
- tries to pressure you into signing a contract using scare tactics or threats, such as "the price is available only if you sign today."

- gives you a price much lower than other estimates.
- offers exceptionally long guarantees.

**REMEMBER** - A guarantee or warranty is only as good as the company that offers it.

## TIPS ON HIRING A CONTRACTOR

- Always get at least three (3) estimates.
- Try to limit your down payment.
- Always check to see how long the company has been in business.
- Make sure the contractor is insured. Contractors should have personal liability, workers' compensation and property damage coverage.
- Get a list of references including, name, address, and telephone numbers.

## CHECK THEM OUT!

- Check with your local consumer agencies for any unresolved complaints on file. NOTE: (No record of complaints filed against a company doesn't guarantee that none exist.) It may be that the problem has not yet been reported, or the company is doing business under several different names.

**BETTER BUSINESS BUREAU**  
**(937) 222-5825**

- Don't make the final payment or sign an affidavit of final release until you are satisfied with the work and know that the subcontractors and suppliers have been paid. Lien laws in your state may allow subcontractors and/or suppliers to file a mechanic's lien against your home to satisfy their unpaid bills.

## GETTING A WRITTEN CONTRACT

Make certain you have a detailed written contract that is clear, concise and complete. Before you sign a contract, make sure it contains:

- The company's full name, address, and telephone number.
- Start and completion dates.
- The company's obligation to obtain the necessary permits.
- A detailed list of all materials, including color, model, size, brand name and product.
- Warranties covering materials and workmanship. All details of the warranty.
- Oral promises should also be added to contract.