KWAME RAOUL
ILLINOIS ATTORNEY GENERAL

# HOME REPAIR AND CONSTRUCTION: Know Your Rights

Whether you are adding on to your existing home, building a new home, or rebuilding your home after a disaster such as a flood or storm, it is important to take time to plan your project and to know your rights.

## RIGHT TO CANCEL THE CONTRACT

- You have three business days from the time you sign your contract to cancel any contract if the sale is made at your home and is over $25. The contractor cannot deprive you of this right by initiating work, selling your contract to a lender, or any other tactic. The contractor is required to disclose this right to cancel to you and provide a form you can use to exercise this right to cancel.
- If you plan to file a claim with your insurance company to pay for the work on your home, you may cancel the contract if one of the following occurs, whichever occurs first: (1) within five business days after receiving written notice from your insurance company denying your claim; or (2) within 30 days after you sent a claim to the insurance company. The contractor is required to disclose this right to cancel to you and provide a form you can use to exercise this right to cancel.

## CONTRACTOR INFORMATION

- 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 Names 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 Names Act.

## CONTRACT REQUIREMENTS

- The contract should state the contractor's business name and the residential address if the contractor uses a P.O. Box to receive mail.
- For home repair contracts over $1,000, you have the right to a written contract or work order that describes the work to be performed and states the total cost. The contract should include parts and materials and should specify some detail, such as quality and grade.
- The contract should specify the timing for the work to be done and the payment schedule, including down payment, subsequent payments, and final payment.
- The contract also should specify grounds for terminating the contract. The homeowner will be responsible for completed work even if the contract is canceled.
- If the contractor fails to begin 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 toward the work upon written demand by certified mail.
- The contractor must give the homeowner a copy of a brochure entitled "Home Repair: Know Your Consumer Rights," the text of which is specified in the Home Repair and Remodeling Act.
- For contracts over $1,000, the contractor must have the homeowner sign and date a form acknowledging receipt of the "Home Repair: Know Your Consumer Rights" brochure. The acknowledgment form must be incorporated into the brochure, and the consumer must receive a duplicate copy of the brochure and executed acknowledgment form.
- Contractors who use arbitration clauses in their contracts must advise consumers before they sign the contract that the contract requires them to submit contract disputes to binding arbitration instead of in court before a judge or a jury, and must obtain a consumer's waiver of a right to a trial by jury. The contractor must allow the consumer to accept or reject both the binding arbitration clause and the jury trial waiver, provided that the contractor may reject the contract if the consumer rejects those terms.
- Before you pay your contractor, you should request from the contractor a signed and notarized written statement that lists all the people and companies, with their contact information, that your contractor hired to work on your home and the amount they are owed. These people and companies have a right, under the Mechanics Lien Act, to file a lien against your home if they are not paid for work they did or materials they supplied for your home. It is important that you obtain lien waivers from these people and companies.

**If you think you have been defrauded by a contractor or have any questions, please bring your concerns to the attention of your state's attorney or the Illinois Attorney General's office.**

**Attorney General's Consumer Fraud Hotlines**

| Springfield | Chicago | Carbondale |
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| 1-800-243-0618 / TTY: 1-877-844-5461 | 1-800-386-5438 / TTY: 1-800-964-3013 | 1-800-243-0607 / TTY: 1-877-675-9339 |