

Maine Attorney General Home Construction Warning

Contractors Must Include This Statement With Any Home Construction Contract for More Than \$3,000

Last revised 3/20/07

If you are thinking about building a new home or repairing your existing home, here are some things you should know.

Contractors Are Not Licensed - Buyer Beware!

While there are a great many competent, ethical home contractors in Maine, it is up to you, the consumer, to find one. Home contractors are not licensed or regulated by the State of Maine. The old saying "Buyer Beware" applies. You should also keep in mind that the lack of state licensing allows the worst contractors to compete for your business alongside the best. The Attorney General's Consumer Mediation Program ranks home contractors among the top three most complained about businesses every year.

Although home construction contractors are not licensed, some building trades are licensed. Architects, engineers, plumbers, electricians, oil burner technicians, manufacturers, dealers and installers of mobile and modular homes are licensed in Maine. For more information on these licensed trades, go to www.maine.gov/pfr/pfrhome.htm.

When hiring a contractor, we recommend that you:

Seek referrals and keep good notes. The best source of references may be:

- friends
- co-workers
- independent trade contractors
- engineers
- family
- building material suppliers
- neighbors
- architects
- home inspectors
- local lenders
- banks
- contractor's existing customers

When meeting with a builder, be sure to ask for:

- Number of years in business
- Permanent business location
- Proof of general liability insurance
- Professional affiliations
- Educational designations

- List of last 5 customers
- Proof of workers' compensation insurance for employees and liability insurance

We strongly recommend that you ask any contractor you are considering hiring for several references and that you follow up on them.

Building Codes

While some towns and cities have adopted building codes and enforced them, others have not. We recommend that you talk to your town's code officials before you begin construction.

Written Contracts Are Required

For all home construction and home improvement projects over \$3,000, Maine law requires a written contract with a specific provision that prohibits payment up front of more than one third of the contract price. When a contractor asks you for any money up front, make sure that the money is being used to purchase materials for your project. Ask for receipts and for a lien waiver from subcontractors. A model home construction contract that meets State law can be found in Chapter 18 of the Maine Attorney General's Consumer Law Guide. Go to www.maine.gov/ag/index.php?r=clg&s=chap18.

Be Careful with Construction Loans

If a lender is financing your construction project, make sure that you know your lender and that you understand how your loan proceeds will be disbursed and how subcontractors will be paid.

Home Contractor Complaints Received by the Attorney General

You can find out if a particular contractor has been the subject of a consumer complaint that the Attorney General attempted to mediate by contacting the Attorney General's Consumer Protection Division at 1-800-436-2131 or at consumer.mediation@maine.gov. Keep in mind that just because the Attorney General has accepted a complaint for mediation does not necessarily mean the consumer was right and the contractor was wrong.

Home Contractors the State Has Sued

In the recent past the State has successfully sued the following home contractors for poor workmanship or failure to complete jobs:

- State of Maine v. CBS Enterprises (Kimberly Mark Smith and David J. Blais),
- Default Judgment in CBS Enterprises,
- State of Maine v. Frederic Weinschenk d/b/a Ric Weinschenk Builders, Inc.,
- State of Maine v. Stephen Lunt d/b/a Lakeview Builders, Inc.,
- State of Maine v. Bob Burns d/b/a Better Homes,
- State of Maine v. Albert H. Giandrea d/b/a AG's Home Quality Improvements, Inc.,
- State of Maine v. Al Verdone,
- State of Maine v. Mikal W. Tuttle, d/b/a MT Construction, DMI Industries, Inc., and MT Construction, Inc.
- State of Maine v. Jeffrey C. Scott, d/b/a Molunkus Stream Construction

The Androscoggin County District Attorney has obtained theft convictions against home contractors Harold Soper (State of Maine v. Harold Soper) and Mikel Tuttle (State of Maine v. Mikel W. Tuttle). Even when our law suits have been successful, we have been unable to collect a significant portion of the judgments because the builders are bankrupt, judgment proof, or have left the state. We strongly recommend that you research a contractor's record before you begin any construction project.

Your Home Construction Rights

Chapter 17 of the Maine Attorney General's Consumer Law Guide explains your rights when constructing or repairing your home. Chapter 18 of the Consumer Law Guide is a model home construction contract that meets the statutory requirements for any home construction contract over \$3,000. Go to <http://www.maine.gov/ag/index.php?r=clg>.

As of September 1, 2006 this entire statement must be an addendum to any home construction contract for more than \$3,000, as required by 10 M.R.S.A. Chapter 219-A.

For updates to this warning go to <http://www.maine.gov/ag/>.