

# Beware of Scams After the Storm

**By David Anderson, President  
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As the flood waters from this weekend begin to recede, we at the Acadian Home Builders Association want to ensure that those residents with damage to their homes do not become victims twice.

Natural disasters have an unfortunate way of attracting unscrupulous and unlicensed contractors from out of state looking to make a quick buck by preying upon desperate homeowners. Below are some ways you can avoid scams and protect your family, home and pocketbook.



## **Don't Rush Into Repairs**

No matter how badly your home is damaged, it is wise to take some time to find the right contractor for the job, not just go with the first one who comes along. Often after a storm, contractors will go door-to-door offering repair jobs on the spot, with a cash deposit. Take a little time to do some research and you will save a lot of money and headache.

## **Check References**

To avoid getting scammed, fully evaluate anyone who you plan to hire by asking for proof of workers' compensation and general liability insurance. Ask the contractor for references for past work and be sure to contact those references. Also, verify the contractor's reputation with the Better Business Bureau of Acadiana ([www.bbb.org/acadiana](http://www.bbb.org/acadiana)) as well as the Acadian Home Builders Association ([www.acadianhba.com/member-directory](http://www.acadianhba.com/member-directory)).

Confirm that the contractor has a verifiable mailing address for his business, and check out the business on consumer review sites such as Angie's List, HomeAdvisor, Houzz, etc. Remember, it's important to take the good with the bad when reading online reviews. It is wise to get bids from at least three different contractors before signing a contract.

## **Only Hire a Licensed Contractor**

Unlicensed construction activity is against the law in Louisiana, and the Louisiana State Licensing Board for Contractors (LSLBC) and other partner agencies consider it a serious offense, especially in the state of an emergency.

Louisiana law requires anyone performing home improvement, repair, or renovations, over \$1,500 but less than \$75,000, to an existing residential structure, to be registered with the Louisiana State Licensing Board for Contractors. Over \$75,000 requires a builder's license. Also note, anyone doing mold remediation must have a separate, specific license to perform that type of work.

The best way to avoid contractor fraud is to verify whether a contractor is licensed or registered to do construction work in Louisiana before you make a down payment or sign a contract. It is easy to check whether a contractor is licensed by visiting LSLBC's web site at [www.lacontractor.org](http://www.lacontractor.org) (click on "Contractor Search") or calling them at 1-800-256-1392.

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### **Get Everything in Writing**

Be sure the contractor provides a written contract clearly stating the scope of work to be done, cost and estimated time of completion. Be cautious of anyone that tells you that “a contract won’t be necessary.” Louisiana law requires a written contract for Home Improvement Contracting over \$1,500. Insist on a complete and clearly written contract signed by you and the contractor. Do not sign anything until you fully understand the terms. Verbal promises of work or prices should not be accepted. Require everything be written down.

Ensure that the final payment is not due until the job is completely finished and you are fully satisfied with it. Find out if any of the work requires city or parish inspection, and make sure that is done and you have paperwork to prove it before you make the final payment.

### **Avoid Payment Pitfalls**

Don’t get pressured into signing a contract immediately. You should not be told that you need to sign a contract that day or risk a price increase. Never pay the full cost in advance, before work begins.

Make sure you’re comfortable with the payment options. Never make payments in cash and be sure to keep records of every check written as well as bank statements showing when the checks went through. You should not be asked to pay cash to a salesperson instead of a check, money order or credit card to a company.

For large jobs, the dollar amount of any downpayment should not exceed \$10,000 or no more than 10% of the entire cost, whichever is less. Also, do not let the payments get ahead of the work and especially do not make the final payment until the job is completed.

### **Rely on Local Resources**

We’re here for you! Should you need a list of contractors in Acadiana who are available for repairs, contact the Acadian Home Builders Association at (337) 981-3053 or visit [www.acadianhba.com](http://www.acadianhba.com).

Complaints of unlicensed activity should be reported to the LSLBC Compliance Section by emailing [complaints@lslbc.louisiana.gov](mailto:complaints@lslbc.louisiana.gov) or calling 1-800-256-1392.

