

# Form 5      BASIC GUIDELINES FOR HIRING A CONTRACTOR

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Many of you will need to hire a contractor. There are some basic guidelines that you should be aware of before hiring a contractor to work on your home. California law requires that anyone who contracts to do a property improvement project valued at \$500 or more must be properly licensed by the Contractors State License Board (CSLB).

If you contract with someone who does not have a license, the CSLB will not be able to assist you with a resolution, or a remedy against an unlicensed contractor. Protect yourself and your checkbook by doing your homework and planning responsibly for your project. Don't be fooled or pressured by a smooth-talking salesperson. Take the time and effort to make sure that the person or business doing your home improvement is going to perform in a professional manner. Most licensed contractors are competent, honest, hardworking and financially responsible.

Here are some guidelines to use on any contract project for your home. The CSLB urges consumers to follow these tips when dealing with a contractor:

- Hire only licensed contractors and ask to see license (they carry a pocket license).
- Don't rush into decisions and don't hire the first contractor who comes along
- Verify the contractor's license by checking online at [www.cslb.ca.gov](http://www.cslb.ca.gov) or by calling 800-321-CSLB.
- Don't pay more than 10% down or \$1,000, whichever is less.
- Get three bids, check references, and get a written contract.
- Contact the CSLB if you have a complaint against a contractor.
- Verify that the contractor has general liability and workers' compensation coverage.
- By law, all contractors who perform work that totals \$500 or more (labor and materials) must be licensed by the CSLB.

**Be warned that if you use unlicensed contractors:**

1. You will assume all liability for injuries to persons working on the job. Using unlicensed contractors can make you liable for their employee workers' compensation insurance, payroll taxes and other expenses, putting your property at risk if these obligations are not paid.
2. Could incur liens or lawsuits by an unlicensed contractor/handyman.
3. Have **NO RECOURSE** through the California Department of Consumer Affairs or the CSLB.
4. **The HOA does not recommend contractor's or verify contractor's licenses.**