

# Sample Home Improvement Contract

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## **Contracts - all contracts over \$1,000 (One Thousand Dollars) must be in writing.**

The law requires the following FOURTEEN items to be included in any contract between a homeowner and a registered home improvement contractor for home improvement work subject to MGL c. 142A:

1. The complete agreement between the contractor and the owner and a clear description of any other documents which are part of the agreement.
2. The full names, federal I.D. number (if applicable), addresses (NOT P.O. Box numbers), of the parties, the contractors registration number, the name(s) of the salesperson(s) involved, if any and the date the contract was executed by the parties.
3. The date on which the work is scheduled to begin and the date the work is scheduled to be substantially completed.
4. A detailed description of the work to be done and the materials to be used.
5. The total amount agreed to be paid for the work to be performed under the contract.
6. A time schedule of payments to be made under the contract and the amount of each payment stated in dollars, including any finance charges. Any deposit required to be paid in advance of the start of the work SHALL NOT exceed one-third of the total contract price or the actual cost of any material or equipment of a special order or custom made nature, which must be ordered in advance of the start of the work to assure that the project will proceed on schedule. No final payment shall be demanded until the contract is completed to the satisfaction of all parties.
7. All parties must sign the contract.
8. A clear and conspicuous notice stating:
  - a. That all home improvement contractors and subcontractors shall be registered and that any inquiries about a contractor or subcontractor relating to a registration should be directed to:

**Office of Consumer Affairs and Business Regulation**

**Home Improvement Contractor Program**

**One Ashburton Place, Room 1301**

**Boston, MA 02108**

**Phone: (617) 727-3200**

- b. The contractor's registration number must be on the first page of the contract.
- c. The homeowner's three day cancellation rights under MGL c 93 s 48; MGL c 140D s 10 or MGL c 255D s 14 as may be applicable.
- d. All warranties on the owner's rights under the provisions of and MGL c. 142A.
- e. In ten point bold type or larger, directly above the space provided for the signature, the following statement:

**DO NOT SIGN THIS CONTRACT IF THERE ARE ANY BLANK SPACES.**

- f. Whether any lien or security interest is on the residence as a consequence of the contract.
- 9. An enumeration of such other matters upon which the owner and contractor may lawfully agree.
- 10. Any other provisions otherwise required by the applicable laws of the Commonwealth.
- 11. Permit Notice: Every contract shall contain a clause informing the owner of the following:
  - a. any and all necessary construction-related permits;
  - b. that it shall be the obligation of the contractor to obtain such permits.
  - c. that owners who secure their own construction-related permits or deal with unregistered contractors shall be excluded from access to the Guarantee Fund.
- 12. Acceleration of payment: No contract shall contain an acceleration clause under which any part or all of the balance not yet due may be declared due and payable because the holder deems himself to be insecure. However, where the contractor deems himself to be insecure he may require as a prerequisite to continuing said work that the balance of funds due under the contract, which are in possession of the owner, shall be placed in a joint escrow account requiring the signatures of the home improvement contractor and the owner for withdrawal.
- 13. No work shall begin prior to the signing of the contract and transmittal to the owner of a copy of such contract.
- 14. Arbitration: If the contractor determines that in the event of a dispute, the contractor wishes the dispute to be settled by arbitration, this fact must be signified on the contract and both the contractor and owner shall sign this clause separately. The following format is acceptable (in 10 point type or larger);

***"The contractor and the homeowner hereby mutually agree in advance that in the event that the contractor has a dispute concerning this contract, the contractor may submit such dispute to a private arbitration service which has been approved by the Office of Consumer Affairs and Business Regulation and the consumer shall be required to submit to such arbitration as provided in MGL c 142A.***

Owner: \_\_\_\_\_

Contractor: \_\_\_\_\_

**NOTICE: The signatures of the parties above apply only to the agreement of the parties to alternate dispute resolution**

*initiated by the contractor. The owner may initiate alternative dispute resolution even where this section is not signed separately by the parties."*