



“On The Money Report”

By Steve Pomeranz, CFP

Host, *On The Money!* WXEL 90.7 FM

In light of the recent bankruptcy of a large storm-shutter company in Palm Beach County, David Levin, our Real Estate expert gives us some good advice on how to avoid getting harmed in the future.....Steve

How To Protect Yourself When Using A Contractor.

DO YOUR HOMEWORK!!!

1. Obtain at least three bids for a job
2. Interview each contractor.
Check the contractor out – is he professional?
Does he understand what you want and does he take the time to explain what they will do in a way you can understand?
3. Make sure everyone understands the scope of the job- Confirm what is included and what is not.
4. Get references of local customers from the contractor and call them. Check with friends and relatives. (I suggest local because you want someone established in your community and you do not want someone who running from locale to locale-leaving messes in his wake).

Check to see if your contractor is on www.AngiesList.com (a new service where people can post their experiences with contractors).

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5. Check for the status of the contractor’s license and any complaints
6.
 - Check the State for a license- www.MyFlorida.com
 - Read the information on **Florida’s Lien Law** located at:
(www.myflorida.com/dbpr/dbpr/news/brochures_tips/lien_law_jan04.pdf)
 - Check the County
 - Palm Beach (www.pbcgov.com/PubSafety/consumer/html/home.asp)
 - Broward (www.broward.org/consumer/welcome.htm)
 - Check the Better Business Bureau: (<http://search.bbb.org/>)
6. Limit yourself to a *small* initial deposit. Make progress payments (money in exchange for work-in-place), with a final payment due **after** the punch-list is complete. Established contractors have lines of credit with suppliers for their materials; they should not need your money for supplies or materials.
7. Have the contractor pull the permit.
8. Include a time commitment for the beginning and the projected end of work.
9. Read and understand all agreements thoroughly. If you have to put on your glasses or if there are more than a dozen words on the paper, take the contract and read it completely before signing. Understand all provisions, the scope of work and agreements and carefully review any limitations or exclusions that are included. Never sign a contract with portions left blank (that can be filled in later). If you are not comfortable or do not understand, seek legal counsel to help you, or decline the contract.
10. The only thing that counts- is what is contained within the contract; Do not rely on any oral representation.

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Every contractor wants to leave your house with a signed document. However, a professional will understand if you take the time to review the contract (if not find someone else). Remember, this is your house; you are entitled to make sure things are correct and proper.

I would like to acknowledge Mc Nelly Torres of the Sun-Sentinel for his recent work on bankruptcy and contractors, which served as my starting point for this article.

For more information contact David Levin at:
561-330-6800
DavidLevin@Bellsouth.net
www.DavidLevin.org

Steve

Steve Pomeranz, CFP
“The Investor’s Advocate”
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