

Ready to renovate? How to check out a contractor before you hire

* FootHills Trader pg 26G, May 25, 2011

(ARA) - Warm weather is here and it's time to start thinking about those home renovation and home improvement projects you put on hold until the weather - or the economy - got better. While many indicators point toward a better economy, many contractors are still feeling the pinch, and are competing fiercely to win business.

The majority of contractors are honest, but you should still be cautious when hiring one. In 2010, the Better Business Bureau received more than 1.2 million inquiries about general contractors, making the industry the third-most researched on the BBB's website. Consumers also lodged 5,005 complaints against general contractors in 2010, the BBB reports.

Before you hire anyone, it's important to check a contractor's business license and the business' financial stability. Here are some steps that can help you ensure you're choosing the right contractor:

Know the facts

Before you hire a contractor, it pays to check the company's credentials, the viability of the company's business and business history because it could directly affect to get your job done. If the contractor has a history of liens and judgments or credit and collection problems, it could mean signs of trouble. For instance, the contractor may be unable to purchase the materials or hire the help needed to complete your renovation. If the contractor has liens or judgments against him, he might be less reliable in getting your job done.

Online resources like Experian's

ContractorCheck.com can give you the inside track on a contractor's credentials.

Known for its credit reporting and protection services, Experian also maintains a database of more than 5 million contractors and their businesses' information. ContractorCheck.com allows consumers to view Experian's verified data, which includes critical information such as:

- Company Name, address and phone number
- Multiple operating addresses
- Length of time the company has been in business
- License, bonding and insurance information
- Contractor specialties
- History of liens, judgments and bankruptcies
- Credit review that will reveal any past collection or derogatory credit events
- Easy-to-understand contractor rating

Consumers often overlook one of the most valuable contractor screening elements -- public record information such as liens or judgments against the business. An important fact, in 2010, 8.4 percent of the contractors in Experian's database has a lien on the file and 6.2 percent had a judgment filed against them.

Know the signs.

The Federal Trade Commission offers the following tips for recognizing contractors who may be dishonest:

- Contractors who solicit door-to-door, only accept cash or who don't have a phone number that is associated with a valid busi-

ness should trigger your mental alarm. Likewise, beware of anyone who offers to discount your job because they will use materials left over from a previous job.

Your contractor should obtain all necessary building permits for your job. Avoid ones who ask you to get permits for them, or find them new customers in exchange for a discount.

If a contractor offers a quote that seems too good to be true, it probably is. An exceptionally long guarantee or an offer to discount your job if you agree to allow him us it as an example for seeing new business are often warning signs.

Don't give in to high pressure pitches. If a contractor wants you to make an immediate decision on hiring them, or to fund your project through their preferred lender, consider taking your business elsewhere.

Find out what others have to say about the contractor you're considering. You need to do some word-of-mouth contractor research before committing. Ask the contractor for the names and numbers of past clients he has worked with. But keep in mind, even reputable contractors are only going to give you contact information for customers they know were happy with their work, so use these references as one more piece of background information, but don't base your decision on them.