

Frequently Asked Questions Regarding Construction Contractors and the HMLP*

Why can't the Provider Agency recommend a contractor to me?

Provider Agencies are not permitted per program guidelines to recommend specific contractors to applicants and borrowers. This is because Provider Agencies are not equipped to thoroughly screen contractors, and therefore cannot give complete and reliable recommendations. More importantly, you need to make your own assessment of the skills and reliability of the contractor who will be working in your own home.

What can the Provider Agency help me with?

Provider Agencies will give the borrowers access to resources, including a website that provides a list of contractors who perform accessibility modifications. In addition, Provider Agencies may also be able to direct you to previous borrowers who are willing to discuss their experiences. They also can assist you in identifying an architect or other professional who can assist you in developing plans. Provider Agencies also may explain the bidding process, review proposals for work to be performed and can advise you whether soliciting additional bids may be prudent. Provider Agencies may also provide sample bid and contract forms – please let your Provider Agency know if you would like samples of these documents.

Are there different types of contractor licenses?

Yes. Any structural work in a home requires a contractor to have a *construction supervisor's license* NOT a home improvement license. A construction supervisor license is intended to demonstrate a degree of competency in respect to the provisions of the building code (which establishes criterion ensuring public safety). A construction supervisor must pass an examination in order to receive a license. In contrast, an examination is not required to receive registration as a *home improvement contractor (HIC)*. The HIC registration is intended more as a consumer protection mechanism.

You may check the following website http://www.mass.gov/Eeops/docs/dps/inf/inf_table_hic_csl_activity.pdf for more information for a chart of different home construction projects and which license is most appropriate.

You should keep in mind possession of any license does not guaranty the contractor is competent to do work satisfactory to you. Check a contractor's references and perhaps see other work he or she has done before signing a contract with them.

My project includes a wheelchair lift or elevator and I need more information on the additional requirements.

Any home modification project that includes the installation of an elevator or wheelchair lift (*not stairlifts*), must be performed by a person with an *elevator mechanics' license*. Additionally, state law requires these installations to be inspected. Installation of these devices in single family homes must be inspected by the Department of Public Safety upon completion of the installation and then every 5 years, this inspection can be set up through your device maintenance/installation company. Medically necessary devices can receive a reduced inspection fee of \$100, an application can be found at www.mass.gov/dps. To ensure the licensed installer properly reflects the reduced inspection fee in their bid, you should apply for the reduced inspection fee as soon as possible.

More information on these Department of Public Safety requirements, please visit www.mass.gov/dps and click on elevators on the left hand side on the Department's home page.

Your Provider can provide you with a list of vendors or companies which we believe have a licensed elevator mechanic. Additionally you may find a suitable vendor by contact the Massachusetts Elevator

Safety Association, www.mesaccoc.com, as the companies which are members of this association are likely to have licensed installers.

I have received a proposal from a contractor, now what?

You should try to obtain three written bids, if possible, and compare them. Please refer to *Choosing a Contractor for Your Home Modification* for suggestions on how to choose a contractor. The Provider Agency will review the proposed scope of work to determine what modifications are eligible.

Once you have decided which contractor you wish to work with, you should make sure you have a sufficient written agreement or contract. You should send a copy of the contract to your Provider Agency. Again, please ask your Provider Agency if you would a sample contract form.

Once the Provider Agency has received all of the documentation required in your application package, they will draw up the loan documents. The loan amount will be for the cost of the eligible modifications and any recording fees, up to a maximum of \$30,000. The Provider Agency will send the mortgage to be recorded at a Registry of Deeds/Registry District of the Land Court.

Once the mortgage is recorded, the Provider Agency will be able to request funds from its funding source, CEDAC. Please be aware that CEDAC cuts checks only every other week. Your Provider Agencies can explain their internal check issuing process. Once the Provider Agency has received the loan funds from CEDAC, they may disburse them as anticipated by the agreed upon loan disbursement schedule attached to your Loan Agreement. Please note that it can take up to 4 – 6 weeks until the first disbursement can be made.

When can I tell my contractor to start work?

Your contractor can begin work once the loan documentation is complete and a mortgage is recorded on the property. The Provider Agency will tell you when this has been done. Make sure, however, that the contractor is not expecting payment before it will be available.

Where circumstances warrant, Provider Agencies may approve the start of work prior to loan closing but after a loan commitment has been made. Please note that although the Provider Agency may approve the start of work, no funds will be disbursed to you or the contractor until the loan documents have been signed and the mortgage has been recorded. If for some reason that does not happen, you will have to find other resources to pay the contractor.

What if the contractor requests money before work has started?

Provider Agencies may disburse up to one-third of the total contract price prior to the start of work by the contractor, provided that documentation is provided of the actual cost of any material or equipment which must be ordered in advance of the start of the work. This should also include a statement that addresses the work start date. Remember, though, that it may take four to six weeks after the mortgage is recorded for this first disbursement to happen.

How do I request funds?

There are three ways that you may request funds:

1. You deliver to the Provider Agency an invoice from the contractor on their letterhead which details the amount of work completed and any previous payments received on the project;
2. You may also deliver an invoice from a supplier, such as Home Depot, which details the items purchased or services provided; or
3. You may also deliver an invoice from the contractor or supplier marked paid or other documentation evidencing that you have used your own funds to pay for the services or supplies.

It is your responsibility to review the work done and all invoices and to approve them by signing the invoices before sending them to the Provider Agency. ***Requesting payment means that you approve of the work done to that point. If you have concerns about the work and the contractor has failed to fix them, you should contact the Provider Agency.***

How will the check be made out?

In most cases, the Provider Agency will send you a two-party check made payable to you and the contractor/supplier. In situation number 3 above, the Provider Agency may make the check payable directly to you.

Is there a difference between paying a subcontractor and a general contractor?

Yes. In general, your contract should be with the general contractor. Therefore, the general contractor should be responsible for paying any subcontractors. For your own protection it is recommended that you do not directly disburse funds to subcontractors. Please remember, the general contractor has assumed liability by pulling the necessary building permits, certifying their insurance policy and entering into a contract with you. This allows you to deal with only the general contractor. It is the general contractor who will be responsible for the quality of the work done and who will warranty it.

My contractor is about to finish my home modification project, how do I request a final payment?

You should contact the provider agency in order to set up a final inspection. The final payment (10% of the total loan amount) will not be released to you or the contractor until the final inspection has been performed and you have indicated your satisfaction with the modifications. ***Remember, the Provider Agencies generally do not use construction specialists to inspect the work. It is up to you to inspect very carefully, to check that all items have been completed and that the workmanship appears satisfactory.***

Why should the contractor pull the building permit?

The contractor should pull the building permit because in doing so the contractor assumes responsibility for the project. For example, the contractor is ensuring that the end project conforms to all pertinent codes, laws and ordinances. Additionally, the contractor must pull the permit for you to be eligible for the Guaranty Fund, which is a fund of last resort for collecting unpaid judgments against registered home improvement contractors.

Why is it mandatory for the contractor to provide a copy of liability insurance?

The liability insurance is mandatory because it protects the homeowner should any accidents occur and/or the contractor damages your home during the construction process. If the contractor does not have valid up to date liability insurance the homeowner's insurance policy may not cover any damages. You may also ask to be named as an Additional Insured on the contractor's liability insurance.

*Please note that you should ask your regional provider agency for their guidance and agency specific policies.