

Under Michigan law, all contractors offering to do work which totals \$600 or more in labor and materials must be licensed by the Department of Licensing and Regulatory Affairs (LARA).

A Residential Builders license allows a contractor to build a complete structure and do maintenance or alteration (remodeling) work.

A Maintenance & Alteration license indicates that the holder has met requirements for one or more of the following trades:

- basement waterproofing
- carpentry
- concrete
- excavation
- house wrecking
- insulation
- masonry
- roofing
- screen and storm sash
- gutters
- siding
- swimming pools
- tile and marble

The trades in which a contractor is qualified to practice are listed on the license.

## Unlicensed scam artists will try to con you in several different ways...

### Watch out for these red flag warnings:



**They want you to pull the permit.** They will tell you it's cheaper to do the job if you pull the building permit or that no permit is necessary. They do this because, without a license, they can't pull a building permit. If there is no permit pulled, there will be no inspections done to assure the quality of the work or that it meets the requirements of the Michigan Residential Code (MRC). If you pull the permit, you will be required to assure the work is done in line with the MRC, not the unlicensed contractor you've hired.



**They won't show you their license or insurance.** All licensed contractors carry a pocket license card, which you should ask to see. Contract with an unlicensed contractor and you can be held liable for on-the-job injuries sustained by that unlicensed person and their employees. This exposes you to liability you never dreamed of, including having to pay medical bills and lost wages, all because the contractor you used wasn't licensed. Licensed contractors must carry workers compensation insurance to cover injuries to their employees. Unlicensed swindlers don't.



**They ask you to pay in cash or pay the total payment up front.** You almost certainly know you're not dealing with a reputable contractor. Chances are, you'll never see this person again after giving him your hard-earned cash.



**They offer you a "special low price"** or tell you they've got materials left over from another job they can use on yours. Legitimate builders and remodelers do not overbuy materials for a job and expect to unload them on you.



**They won't sign a contract.** A contract is a written agreement between two parties that details the terms of a transaction. In construction, it generally states the work that will be performed, along with important information like due dates, costs and payment schedules. Having a written contract means that everyone knows what they are supposed to do and when, helps avoid disagreements and, when necessary, makes it easier to resolve any disputes that might arise. Refusal to sign a contract is always a red flag warning.



**MAKE THE RIGHT CHOICE.  
CHOOSE A LICENSED HBA MEMBER.**

Electricians, plumbers and mechanical contractors are also licensed by LARA and must have a license that corresponds to the work to be done.

Before entering into a building or renovation project, you can verify license information by going to [www.lara.michigan.gov/colaLicVerify](http://www.lara.michigan.gov/colaLicVerify)



You can also contact LARA at 517-241-9316 or via email at [lara-bcc-licensing@michigan.gov](mailto:lara-bcc-licensing@michigan.gov) and request that they run a license check for you.



## Why Choose An HBA Member?

HBA members:

- ✓ Know their trade and have been tested and approved, including a credit check, by Michigan's Department of Licensing and Regulatory Affairs to build or remodel in Michigan.
- ✓ Must be insured. Liability for on-the-job injuries will rest with your licensed contractor, not with you.
- ✓ Invest time and money into taking classes that improve their ability to build a better product.
- ✓ Know and build to the Michigan Residential Code and are required to have a copy of the latest edition of that code.
- ✓ Also belong to the Home Builders Association of Michigan (HBAM) and the National Association of Home Builders (NAHB).
- ✓ Can become members of The Remodelers' Council, a group specifically focused on this growing component of the industry.

Your home is the largest investment you will likely ever make. Whether you are building a new home or remodeling an existing one, you owe it to yourself to use only the best in the business, someone who can be trusted to do the job right.

*Why take a chance? Choose a professional member of the Home Builders Association.*



## HIRING A CONTRACTOR?

**WARNING**

**BEWARE  
of these  
RED FLAGS**

**HBA**  
PROFESSIONALS  
WHO CARE

[hbaofmichigan.com](http://hbaofmichigan.com)