

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Home Repair and Remodeling Act is amended by
5 changing Section 20 as follows:

6 (815 ILCS 513/20)

7 Sec. 20. Consumer rights brochure.

8 (a) For any contract over \$1,000, any person engaging in
9 the business of home repair and remodeling shall provide to its
10 customers a copy of the "Home Repair: Know Your Consumer
11 Rights" pamphlet prior to the execution of any home repair and
12 remodeling contract. The consumer shall sign and date an
13 acknowledgment form entitled "Consumer Rights Acknowledgment
14 Form" that states: "I, the homeowner, have received from the
15 contractor a copy of the pamphlet entitled 'Home Repair: Know
16 Your Consumer Rights.'" The contractor or his or her
17 representative shall also sign and date the acknowledgment
18 form, which includes the name and address of the home repair
19 and remodeling business. The acknowledgment form shall be in
20 duplicate and incorporated into the pamphlet. The original
21 acknowledgment form shall be retained by the contractor and the
22 duplicate copy shall be retained within the pamphlet by the
23 consumer.

1 (b) For any contract for \$1,000 or under, any person
2 engaging in the business of home repair and remodeling shall
3 provide to its customers a copy of the "Home Repair: Know Your
4 Consumer Rights" pamphlet. No written acknowledgment of
5 receipt of the pamphlet is required for a contract of \$1,000 or
6 under.

7 (c) The pamphlet must be a separate document, in at least
8 12 point type, and in legible ink. The pamphlet shall read as
9 follows:

10 "HOME REPAIR: KNOW YOUR CONSUMER RIGHTS

11 As you plan for your home repair/improvement project, it is
12 important to ask the right questions in order to protect your
13 investment. The tips in this fact sheet should allow you to
14 protect yourself and minimize the possibility that a
15 misunderstanding may occur.

16 AVOIDING HOME REPAIR FRAUD

17 Please use extreme caution when confronted with the following
18 warning signs of a potential scam:

19 (1) Door-to-door salespersons with no local connections
20 who offer to do home repair work for substantially less than
21 the market price.

22 (2) Solicitations for repair work from a company that lists

1 only a telephone number or a post-office box number to contact,
2 particularly if it is an out-of-state company.

3 (3) Contractors who fail to provide customers references
4 when requested.

5 (4) Persons offering to inspect your home for free. Do not
6 admit anyone into your home unless he or she can present
7 authentic identification establishing his or her business
8 status. When in doubt, do not hesitate to call the worker's
9 employer to verify his or her identity.

10 (5) Contractors demanding cash payment for a job or who ask
11 you to make a check payable to a person other than the owner or
12 company name.

13 (6) Offers from a contractor to drive you to the bank to
14 withdraw funds to pay for the work.

15 CONTRACTS

16 (1) Get all estimates in writing.

17 (2) Do not be induced into signing a contract by
18 high-pressure sales tactics.

19 (3) Never sign a contract with blank spaces or one you do
20 not fully understand. If you are taking out a loan to finance
21 the work, do not sign the contract before your lender approves
22 the loan.

23 (4) Remember, you have 3 business days from the time you
24 sign your contract to cancel any contract if the sale is made

1 at your home. The contractor cannot deprive you of this right
2 by initiating work, selling your contract to a lender, or any
3 other tactic.

4 (5) If the contractor does business under a name other than
5 the contractor's real name, the business must either be
6 incorporated or registered under the Assumed Business Name Act.
7 Check with the Secretary of State to see if the business is
8 incorporated or with the county clerk to see if the business
9 has registered under the Assumed Business Name Act.

10 (6) Homeowners should check with local and county units of
11 government to determine if permits or inspections are required.

12 (7) Determine whether the contractor will guarantee his or
13 her work and products.

14 (8) Determine whether the contractor has the proper
15 insurance.

16 (9) Do not sign a certificate of completion or make final
17 payment until the work is done to your satisfaction.

18 (10) Before you pay your contractor, understand that the
19 Mechanics Lien Act requires that you shall request and the
20 contractor shall give you a signed and notarized written
21 statement (known as a "Sworn Statement") that lists all the
22 persons or companies your contractor hired to work on your
23 home, their addresses along with the amounts about to be paid,
24 and the total amount owed after the payment to those persons or
25 companies.

26 Suppliers and subcontractors have a right to file a lien

1 against your home if they do not get paid for their labor or
2 materials. To protect yourself against liens, you should demand
3 that your contractor provide you with a Sworn Statement before
4 you pay the contractor. You should also obtain lien waivers
5 from all contractors and subcontractors if appropriate. You
6 should consult with an attorney to learn more about your rights
7 and obligations under the Mechanics Lien Act.

8 Disclaimer: The contents of this paragraph are required to
9 be placed in the pamphlet for consumer guidance and information
10 only. The contents of this paragraph are not substantive
11 enforceable provisions of the Home Repair and Remodeling Act
12 and are not intended to affect the substantive law of the
13 Mechanics Lien Act. Remember, homeowners should know who
14 provides supplies and labor for any work performed on your
15 home. Suppliers and subcontractors have a right to file a lien
16 against your property if the general contractor fails to pay
17 them. To protect your property, request lien waivers from the
18 general contractor.

19 BASIC TERMS TO BE INCLUDED IN A CONTRACT

20 (1) Contractor's full name, address, and telephone number.
21 Illinois law requires that persons selling home repair and
22 improvement services provide their customers with notice of any
23 change to their business name or address that comes about prior
24 to the agreed dates for beginning or completing the work.

1 (2) A description of the work to be performed.

2 (3) Starting and estimated completion dates.

3 (4) Total cost of work to be performed.

4 (5) Schedule and method of payment, including down payment,
5 subsequent payments, and final payment.

6 (6) A provision stating the grounds for termination of the
7 contract by either party. However, the homeowner must pay the
8 contractor for work completed. If the contractor fails to
9 commence or complete work within the contracted time period,
10 the homeowner may cancel and may be entitled to a refund of any
11 down payment or other payments made towards the work, upon
12 written demand by certified mail.

13 (7) A provision stating the grounds for termination of the
14 contract if you are notified by your insurer that all or any
15 part of the claim or contract is not a covered loss under the
16 insurance policy, you may cancel the contract by mailing or
17 delivering written notice to (name of contractor) at (address
18 of contractor's place of business) at any time prior to the
19 earlier of midnight on the fifth business day after you have
20 received such notice from your insurer or the thirtieth
21 business day after receipt of a properly executed proof of loss
22 by the insurer from the insured. If you cancel, any payments
23 made by you under the contract will be returned to you within
24 10 business days following receipt by the contractor of your
25 cancellation notice. If, however, the contractor has provided
26 any goods or services related to a catastrophe, acknowledged

1 and agreed to by the insured homeowner in writing to be
2 necessary to prevent damage to the premises, the contractor is
3 entitled to the reasonable value of such goods and services.

4 Homeowners should obtain a copy of the signed contract and
5 keep it in a safe place for reference as needed.

6 To file a complaint against a roofing contractor, contact
7 the Illinois Department of Financial and Professional
8 Regulation at 312-814-6910 or file a complaint directly on its
9 website.

10 IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

11 If you think you have been defrauded by a contractor or
12 have any questions, please bring it to the attention of your
13 State's Attorney or the Illinois Attorney General's Office.

14 Attorney General Toll-Free Numbers

15 Carbondale (800) 243-0607

16 Springfield (800) 243-0618

17 Chicago (800) 386-5438".

18 (Source: P.A. 97-235, eff. 1-1-12.)