

# SONYMA Own it, Fix it New York! Home Mortgage Home Improvement Contract Provisions

## HOME IMPROVEMENT CONTRACTS

For every home improvement job, New York State law requires that the home improvement contractor provide the consumer with a complete, legible copy of the contract at the time it is signed by all parties, and before any work is started. New York State law governing home improvements applies to home improvement contracts that are \$500 or greater.

A written, signed, and dated home improvement contract is required BEFORE SONYMA approves the application for mortgage financing and before the work begins. Borrowers should make sure that the following items are written into the contract:

1. The home improvement contractors' company name, address, phone number, and license number;
2. List of materials to be used in the project, including brand names and model numbers, if applicable;
3. Schedule of completion, including stages of completion - should have estimated dates for start and completion of project, including reasons why it might be delayed;
4. Payment schedule that specifically states how payment will be made and under what circumstances; for example, if payments will correspond to completed work, or if payments will be due on specific dates, etc.;
5. All verbal agreements should be written into the contract;
6. Statement of any guarantee or warranty for services or parts;
7. Clause stating that the contractor will obtain all permits required by law;
8. Statement that contractor will be responsible for repairing mistakes and for cleaning the area after the job is finished;
9. Clauses stating that the contractor must provide proof of payment to subcontractors and supply houses and giving the consumer permission to withhold final payment to the contractor until he or she provides such proof. Otherwise, the subcontractors and suppliers can put a lien on the consumer's property if the contractor does not pay them;
10. Statement of the consumer's right to cancel the home improvement contract within three business days of signing it, and a Notice of Cancellation, which the consumer should use in that situation.

Changes made to the original home improvement contract once the project is already underway must be added to the contract and signed by both the consumer and the contractor. Remember that any changes to the original home improvement project may require additional costs and time.

[Click here for more information on Home Improvement such as finding a Contractor, Licensing, Payments, and other Resources.](#)