



# Home Modification Loan Program (HMLP) & Contractors

Homeowners are responsible for finding, choosing and over-seeing a qualified contractor under the Home Modification Loan Program (HMLP). The program and your regional Provider Agencies do not recommend or require applicants to use program-approved contractors.

To aid in your search for a contractor, Provider Agencies have a list of contractors in their region who have done previous home modification projects.

## Resources for Finding Qualified Contractors

- *NE Index, Information on Disabilities Exchange* – for a listing of contractors who perform accessibility modifications. Go to [www.disabilityinfo.org](http://www.disabilityinfo.org)
- *Better Business Bureau*, [www.bbb.org](http://www.bbb.org), enter zip code, you can either search by business or by a Better Business Bureau accredited business
- *The Associated Builders and Contractors*, [www.abcma.org](http://www.abcma.org), click on member directory and enter search criteria.
- *National Association of the Remodeling Industry*, [www.nari.org/consumers/find-a-remodeler](http://www.nari.org/consumers/find-a-remodeler).
- *HomeAdvisor*, [www.homeadvisor.com](http://www.homeadvisor.com), the site rates home improvement companies from user-reviews.
- *American Institute of Architects*. The Western MA Chapter, [www.wmaia.org](http://www.wmaia.org) and the Central MA Chapter, [www.aiacm.org](http://www.aiacm.org) and the Boston Society of Architects/AIA [www.architects.org](http://www.architects.org). Each site has a list of members.
- *Massachusetts's Independent Living Centers*, [www.masilc.org](http://www.masilc.org), click on “find a center”, on the right-hand side.
- *Angie's List*, [www.angieslist.com](http://www.angieslist.com), Angie List members rate contractors and other service companies. Once you become a member and sign in you can search by zip code.
- For the Boston Area, *Consumers Checkbook*, [www.checkbook.org](http://www.checkbook.org), a nonprofit organization which rates local service businesses.

## General Suggestion when Choosing a Qualified Contractor

1. Review the Massachusetts Consumer Guide to Home Improvement, [www.mass.gov/ocabr/consumer-rights-and-resources/home-improvement-contract/a-massachusetts-consumer-guide-to-home-improvement.html](http://www.mass.gov/ocabr/consumer-rights-and-resources/home-improvement-contract/a-massachusetts-consumer-guide-to-home-improvement.html)
2. Ask family members, friends, or neighbors for names of contractors that they would recommend.
3. Give the same job details (ramp, bathroom, widened doorways, etc.) to each contractor so you can compare.
4. Questions to ask qualified contractors:
  - What is their experience with accessibility home modification or adaptation projects?
  - What type of unknown things could be discovered on a project like yours? How much could this add to the cost of the project?
  - How long have they been in business?
  - Will they be working on your project full time? On the other hand, will they be working on other projects at the same time?
  - Do they have a Home Improvement Contractor License with the state? Do they have a Massachusetts Construction Supervisor's License? Do they have a lead license? **These licenses are required.**

- Do they have liability insurance? **Liability insurance is required** for projects funded by HMLP.
  - Ask the contractor for 3 homeowners you can speak with that they worked for in the last 12 months.
5. You should speak with more than one contractor and ask for written bids so you can review multiple bids for your project. Keep in mind, the lowest price is not always the best, since the value of materials or workmanship may differ.
    - Look at the proposals carefully
    - Don't be afraid to ask questions if you don't understand
    - Check references
    - Check with the Better Business Bureau in the area and/or with Massachusetts Consumer Affairs ([www.mass.gov/consumer](http://www.mass.gov/consumer)).
  6. Once you chose the contractor, they must complete the HMLP program bid form. Any bid forms with missing information will cause delays in your application.

## Frequently Asked Questions

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

Provider Agencies do not have the skills to screen or manage contractors. It is important that you decide your own opinion of the skills and reliability of the contractor who you will hire to do work in your home.

### **How can the Provider Agency help me?**

Provider Agencies can direct you to other HMLP borrowers who can discuss their experiences. Most projects will have a construction monitor who will review your project's bid form and comment on cost, design, and/or material selection. Monitors conduct both an initial inspection and final inspection.

### **What documentation do I need to obtain from my chosen contractor?**

You should speak with more than one contractor to give you a quote for the work you would like completed.

Once selected your chosen contractor must complete the required Home Modification Loan Program Bid Form and Scope of Work (Bid Form). You will submit this form with your Home Modification Loan Program application. **Please be aware your loan application cannot move through the process until the Bid Form is complete.**

Bid Forms should include a description of the project and details on the materials installed (type, quantity, price, and warranties if applicable). The form also asks if sub-contractors will be used, and to list the required permits. If the Bid Form does not have the required detail, your Provider Agency will assist you and your chosen contractor. If you or your contractor have any questions on the Bid Form please contact your Provider Agency.

Before signing the bid form, you check with your Provider Agency to make sure that the scope of work is eligible for funding by HMLP.

### **Are there different types of contractor licenses?**

Review the information from the Massachusetts Office of Consumer Affairs on tips for hiring a contractor and the licenses required in Massachusetts <http://www.mass.gov/ocabr/docs/hic/hic-how-to-hire-brochure.pdf>.

All contractors are required to register as a Home Improvement contractor or have an HIC license. The fee contractors pay for this license fund the Commonwealth's Contractor Guaranty Fund, which is a fund of last resort for consumers who have an unpaid final judgment against a contractor. More information about the Guaranty Fund: [www.mass.gov/ocabr/consumer-rights-and-resources/home-improvement-contract/guaranty-fund/guaranty-fund.html](http://www.mass.gov/ocabr/consumer-rights-and-resources/home-improvement-contract/guaranty-fund/guaranty-fund.html)

If any structural work is part of your project scope, the contractor must have a Construction Supervisor's license and a Home Improvement or HIC license. A Construction Supervisor license certifies that the contractor

understands state building code. A construction supervisor must pass an examination in order to receive this license.

Keep in mind, a license does not guarantee the contractor is experienced.

### **How do I know my contractor's licenses are valid?**

You can look up each license on the Commonwealth's website.

- Home Improvement Contractors (HIC) license look-up. You can also search for any history of the contractor and the Guaranty Fund. [www.mass.gov/ocabr/consumer-rights-and-resources/home-improvement-contract](http://www.mass.gov/ocabr/consumer-rights-and-resources/home-improvement-contract)
- Construction Supervisor License look-up. You will enter the contractor's name. Here you can find out the status of the license and any history of disciplinary action. <http://elicense.chs.state.ma.us/Verification/Search.aspx>
- Lead License look-up. There are several different kinds of licenses issued related to lead paint. The Commonwealth of Massachusetts requires contractors to have one of these licenses.
  1. Renovation, Repair and Painting Contractors, <http://www.mass.gov/lwd/docs/dos/lead-asbestos/lead/la-rpt-list-lr.pdf>
  2. Certified Lead-Safe Renovator Supervisors, Approved for Moderate Risk Deleading, <http://www.mass.gov/lwd/docs/dos/lead-asbestos/lead/la-rpt-list-mr.pdf>
  3. Licensed Deleader Contractors, <http://www.mass.gov/lwd/docs/dos/lead-asbestos/lead/la-rpt-list-dc.pdf>

### **Why must the contractor provide their liability insurance policy information?**

Liability insurance protects you should any accidents occur and/or the contractor damages your home during the construction. You may also want to ask for a liability insurance certificate with you listed as "Additional Insured".

### **Why should the contractor pull the building permit?**

When a project requires a building permit, the contractor must be the person to request and pay for the building permit(s). The permit shows the contractor is responsible for the project and for following all codes, laws, and ordinances. The same person who signs your bid must be the person who holds the HIC license and pulls the town/city construction permits for you to remain eligible for the Guaranty Fund.

The Provider Agency must have a copy of the building permit before disbursement of any loans funds.

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

Yes. Your construction contract must be with the general contractor. For your own protection, HMLP does not disburse funds directly to subcontractors. The general contractor is responsible for the requirements of the building permits. By hiring one person to oversee the full project you can work directly with the general contractor. The general contractor will be responsible for the quality of the work done and is the one who will guarantee it.

### **I have chosen my contractor, what happens next?**

Once your application is complete and you submit the required documents to support your application a construction monitor performs an initial inspection. This inspection makes sure everyone understands and agrees to the scope of work before construction begins. Please ask that your contractor attend the inspection. Once the monitor's inspection report is complete, loan documents will be prepared. The loan amount will be for the cost of the eligible modifications and any recording fees. The Provider Agency will record the mortgage at a Registry of Deeds/Registry District of the Land Court or the UCC-1 Finance Statement recorded with the Massachusetts Secretary of State.

Once the mortgage or UCC-1 is recorded, the Provider Agency will be able to request funds. Once your Provider Agency has the loan funds, disbursement occurs according to the payment schedule on your bid form. **Please note the first loan disbursement will take up to 4 – 6 weeks after your initial inspection.**

### **When can I tell my contractor to start work?**

Your contractor can start construction once the mortgage or UCC-1 is recorded on the property. The Provider Agency can tell you when this has been done. Make sure, that the contractor is not expecting payment before it will be available.

### **What if the contractor requests money before work has started?**

The Provider Agency may disburse up to one-third of the total contract price before the start of work. The Provider Agency must have a copy of the building permit before disbursement of any loans funds. This first invoice cannot include labor costs and should include the actual cost of any material or equipment needed before the start of construction.

### **How do I request funds?**

*Requesting payment means that you approve of the work done.* If you have concerns about the quality or value of the work performed, you should address those concerns directly with your chosen contractor. If you are unable to reach a suitable outcome with your chosen contractor, please see the question below regarding disputes.

There are three ways that you may ask for funds:

1. You bring to your Provider Agency an HMLP Invoice form from the contractor. Please note that you must sign and approve this invoice before a Provider Agency can issue a check. **Your Provider will not accept invoices submitted from your chosen contractor directly.**
2. You may also bring an invoice from a supplier, such as Home Depot, which details the items purchased or services provided; or
3. You may also bring an invoice from the contractor or supplier marked paid or other documentation proving that you have used your own money to pay for the services or supplies.

*You should review the work done carefully. You should also review any invoice carefully before submitting them to your Provider Agency for payment. You should **NEVER** pre-sign an invoice form.*

In general, funds requested should reflect the cost of materials and/or work completed to date. If you are not sure that an invoice shows the status of the project at the time of the request, you should have a conversation with your contractor.

### **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.

### **What if I have a dispute with my contractor?**

Please understand HMLP, your Provider Agency and the program construction monitor cannot be involved in disputes regarding the legal contract you entered into with your chosen contractor. More information about consumer protections and how to file a complaint can be found at the state's Office of Consumer Affairs [www.mass.gov/ocabr/consumer/home-improvement-contract](http://www.mass.gov/ocabr/consumer/home-improvement-contract). This website provides a consumer guide to home improvement contractor complaints, which lists the four different programs that handle complaints against residential home improvement contractors.

### **What if my contractor makes changes to the construction project from what it was on the original bid?**

All changes in scope should be recorded in a change order that outlines any change to the original contract agreement and you and your chosen contractor must sign it. The change order will provide a reason for the

change and list any labor and/or material costs. Change orders do not always result in additional cost to the project. All change orders are reviewed for eligibility by your Provider Agency, before releasing payment.

Please be aware any work performed outside the agreed upon scope of work stated on the HMLP Bid Form without a change order – is a separate agreement between yourself and your contractor and the loan funds from HMLP cannot be used.

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

You should contact the Provider Agency, so your construction monitor can set up the final inspection. The release of your final payment will be made to you or your chosen contractor until the following occurs:

- The city or town has completed their final inspection.
- The HMLP final inspection has been performed.
- You are satisfied with the work performed.
- Your contractor signs and returns the lien waiver.

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

A person with an elevator mechanics' license is required to install elevators or wheelchair lifts (not stair-lifts). State law requires inspections of lifts and elevators in single-family homes by the Department of Public Safety when first installed and then every 5 years. This inspection can be set up through the company who installed your elevator or lift.

If you are having trouble finding someone, you may find the Massachusetts Elevator Safety Association helpful, <http://mesassoc.com/>, member companies are likely to have licensed installers.