

# Inspection Checklist: Home Improvement Contractors

*Do you sell or perform home improvement work in New York City?*

Use this checklist to avoid violations. For your convenience, each Requirement includes the relevant section of law and/or rule, so you can refer to it for more information. The KEY below describes the legal citations and symbols used in this checklist.

<b>KEY</b>
<b>NYC Code:</b> NYC Administrative Code
<b>RCNY:</b> Rules of the City of New York
<b>§:</b> Section

Requirement	Do you meet this requirement?
<b>Licenses</b>	
<b>1</b> If you perform or offer to perform home improvement work on private residences in New York City, you must have a Department of Consumer and Worker Protection (DCWP, formerly Consumer Affairs) <a href="#">Home Improvement Contractor</a> license.  <b>Tip:</b> All subcontractors you use must have a DCWP Home Improvement Contractor license.  <b>NYC Code §20-387</b>	<input type="checkbox"/> Yes
<b>2</b> DCWP's combined license and complaint sign must be posted where all customers can see it or shown to a consumer upon request.  <b>6 RCNY §1-03(a)</b>	
<b>Prohibited Conduct</b>	
<b>3</b> You cannot conduct business in any name other than the name on the Home Improvement Contractor license.  <b>NYC Code §20-393(8)</b>	<input type="checkbox"/> Yes
<b>4</b> You cannot make misrepresentations or false promises to consumers when soliciting or procuring a home improvement contract.  <b>NYC Code §20-393(2)</b>	

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Requirement	Do you meet this requirement?
<b>Contracts and Estimates</b> <b>Important note about Requirements 5-21:</b> Each missing contract requirement is a separate violation for which a penalty will be assessed.	
<b>5</b> You must provide a written estimate to a consumer who requests it. <b>NYC Code §20-395</b>	<input type="checkbox"/> Yes
<b>6</b> The agreement between you and the consumer for home improvement work must be in writing and must be signed by the consumer and the contractor. <b>Tip:</b> You must provide a copy of the signed contract to the consumer at the time the contract is signed and before performing any work. <b>Tip:</b> All change orders to the contract must be in writing and signed by the contractor and the consumer. The change order must include the cost of the additional work, the new contract price, and the date when payment is due. <b>Tip:</b> Use DCWP’s Home Improvement Estimate and Final Contract available at <a href="http://nyc.gov/BusinessToolbox">nyc.gov/BusinessToolbox</a> <b>6 RCNY §2-221(a)</b>	<input type="checkbox"/> Yes
<b>7</b> The contract you give the consumer must be legible and in plain English. <b>Tip:</b> If you negotiate the contract in a language other than English, you must provide the consumer with a copy of the contract in both English and the language you used to negotiate the contract. <b>6 RCNY §2-221(a)</b>	<input type="checkbox"/> Yes
<b>8</b> The contract must contain the following: <ul style="list-style-type: none"> <li>• Date of the contract</li> <li>• Home improvement contractor’s name</li> <li>• Home improvement contractor’s office address</li> <li>• Home improvement contractor’s telephone number</li> <li>• Home improvement contractor’s DCWP license number</li> </ul> <b>6 RCNY §2-221(a)(1)</b>	<input type="checkbox"/> Yes
<b>9</b> The contract must include the dates when you expect to begin and substantially complete the work and a statement of any contingencies that would materially change the approximate or estimated completion date. <b>Tip:</b> If you and the consumer have agreed that a definite completion date is of the essence, you must note this in the contract. <b>6 RCNY §2-221(a)(2)</b>	<input type="checkbox"/> Yes
<b>10</b> The contract must include a description of the work to be performed. <b>6 RCNY §2-221(a)(3)</b>	<input type="checkbox"/> Yes
<b>11</b> The contract must include a description of materials that you will provide, including appliances, and include materials’ make and model number and any other identifying information. <b>Tip:</b> The contract must list the price you and the consumer agree upon for the work and materials. <b>6 RCNY §2-221(a)(3)</b>	<input type="checkbox"/> Yes

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Requirement	Do you meet this requirement?
<p><b>12</b> The contract must provide notice to the consumer that the contractor or subcontractor who performs work and is not paid may have a claim against the consumer which may be enforced against the property in accordance with applicable lien laws.</p> <p><b>6 RCNY §2-221(a)(4)</b></p>	<input type="checkbox"/> Yes
<p><b>13</b> The contract must include a notice to the consumer that in accordance with subdivision 4 Section 71-a of New York State’s Lien Law, the contractor is legally required to deposit all payments received prior to completion of work and that, in lieu of such deposit, the contractor may post a bond or Contract of Indemnity with the consumer guaranteeing the return of the payments or application of the payments to the purpose of the contract.</p> <p><b>6 RCNY §2-221(a)(5)</b></p>	<input type="checkbox"/> Yes
<p><b>14</b> If the consumer is going to pay in installments as work progresses, the contract must include a schedule of payments with the amount to be paid upon the completion of specific work. The schedule must list:</p> <ul style="list-style-type: none"> <li>• the amount of each payment</li> <li>• the work that will be completed by each payment</li> <li>• materials to be supplied by each payment</li> </ul> <p>The amount of the payments should also bear a reasonable relationship to the work completed and materials provided for each payment.</p> <p><b>6 RCNY §2-221(a)(6)</b></p>	<input type="checkbox"/> Yes
<p><b>15</b> The contract must clearly state all charges, guarantees, and warranties represented by you.</p> <p><b>6 RCNY §2-221(a)(7)</b></p>	<input type="checkbox"/> Yes
<p><b>16</b> The contract must state that you agree to give the consumer a copy of the “Certificate of Workers’ Compensation Insurance” before beginning work.</p> <p><b>Tip:</b> Information on exemptions from holding workers’ compensation insurance is available on the New York State Workers’ Compensation Board website: <a href="http://www.wcb.ny.gov/">http://www.wcb.ny.gov/</a></p> <p><b>Tip:</b> If you got an exemption from the requirement for workers’ compensation insurance, you must give the consumer a copy of the Certificate of Attestation of Exemption from the New York State Workers’ Compensation Board.</p> <p><b>6 RCNY §2-221(a)(8)</b></p>	<input type="checkbox"/> Yes
<p><b>17</b> The contract must state that you will obtain all permits for the work.</p> <p><b>6 RCNY §2-221(a)(9)</b></p>	<input type="checkbox"/> Yes
<p><b>18</b> The contract must include the following statement together with the signature line for the consumer (Buyer):</p> <p><b>YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.</b></p> <p><b>Tip:</b> This statement must be in boldface, and the font size must be at least 10 point.</p> <p><b>6 RCNY §2-221(a)(10)</b></p>	<input type="checkbox"/> Yes

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Requirement	Do you meet this requirement?
<p><b>19</b> You must provide the consumer with a separate Notice of Cancellation Form at the time the consumer signs the contract. The Notice of Cancellation Form must be attached to the contract and easily detachable. The Notice must state:</p> <p><b>DATE OF CONTRACT:</b> _____</p> <p style="text-align: center;"><b>NOTICE OF CANCELLATION</b></p> <p><b>YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE.</b></p> <p><b>IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN 10 BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELED.</b></p> <p><b>IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE; OR YOU MAY IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER’S EXPENSE AND RISK.</b></p> <p><b>IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.</b></p> <p><b>TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE TO _____ AT _____ NOT LATER THAN MIDNIGHT OF _____.</b></p> <p><b>I HEREBY CANCEL THIS TRANSACTION.</b></p> <p>_____  <i>Buyer’s Signature</i>                      <i>Print Name</i>                      <i>Date</i></p> <p><b>Tip:</b> The words in the form must be boldface, and the font size must be at least 10 point.</p> <p><b>Tip:</b> The Notice of Cancellation must be in English and in any other language used to negotiate the contract.</p> <p><b>Tip:</b> Download a Notice of Cancellation Form, which is located at the end of DCWP’s Home Improvement Estimate and Final Contract, at <a href="http://nyc.gov/BusinessToolbox">nyc.gov/BusinessToolbox</a></p> <p><b>6 RCNY §2-221(b)</b></p>	<p><input type="checkbox"/> Yes</p>

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Requirement		Do you meet this requirement?
20	You must honor any valid Notice of Cancellation and refund all payments made under the contract within 10 business days after receiving the Notice.	<input type="checkbox"/> Yes
	<b>6 RCNY §2-221(h)(1)</b>	
21	The contract cannot state that the consumer is waiving, giving up, or is prohibited from asserting any rights, claims, defenses, or remedies the consumer has under the law.	<input type="checkbox"/> Yes
	<b>NYC Code §20-393(13)</b>	
<b>Permits</b>		
22	You must secure every permit, license, certificate of occupancy, or special exception necessary to complete the contracted work.	<input type="checkbox"/> Yes
	<p><b>Tip:</b> You may need to obtain a permit from the New York City Department of Buildings (DOB) for plumbing, electrical work, pointing, home extensions, and other home improvement work.</p> <p><b>Tip:</b> Visit DOB's website for additional information: <a href="http://www.nyc.gov/buildings">www.nyc.gov/buildings</a></p>	
<b>6 RCNY §2-223(a)</b>		
<b>Payments and Financing</b>		
23	You cannot arrange for financing or help a consumer obtain financing for the home improvement work.	<input type="checkbox"/> Yes
	<b>NYC Code §20-393(4), NYC Code §20-393(17)</b>	
24	During the course of the work, you cannot use the consumer's payments to pay any expenses that are not directly related to the home improvement.	<input type="checkbox"/> Yes
	<b>6 RCNY §2-223(c)</b>	
<b>Performance of the Work</b>		
25	You cannot perform any of the work in the contract or make any changes to the consumer's property until after the three-day cancellation period has expired and the consumer has not exercised the right of cancellation.	<input type="checkbox"/> Yes
	<b>NYC Code §20-394.1; 6 RCNY 2-223(d)</b>	
26	You cannot perform work that is not in the contract, or is different from the work described in the contract, without the consumer's written consent.	<input type="checkbox"/> Yes
	<b>NYC Code §20-393(1)</b>	
27	You must comply with all New York City building, sanitary, fire, and health laws.	<input type="checkbox"/> Yes
	<b>NYC Code §20-393(6)</b>	
28	You cannot ask the consumer to sign a certificate of completion before you actually completed the work.	<input type="checkbox"/> Yes
	<b>NYC Code §20-393(12)</b>	
29	You must perform the work skillfully and competently, and you must complete the work in the contract.	<input type="checkbox"/> Yes
	<b>NYC Code §20-393(11)</b>	

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Requirement	Do you meet this requirement?
<b>Advertising</b>	
<b>30</b> Advertising must include the home improvement contractor's DCWP license number. <b>6 RCNY §2-222(a)</b>	<input type="checkbox"/> Yes
<b>31</b> Advertisements cannot make claims that your products or services will result in benefits that are not based on known and provable facts.  <b>Example:</b> You cannot advertise that the windows you sell or install will reduce energy bills by a certain percentage if this claim is not based on provable facts.  <b>6 RCNY §2-222(r)</b>	
<b>Records</b>	
<b>32</b> You must keep copies of all of your contracts with consumers, and all other documents related to your business, for six years.  <b>Tip:</b> Contracts that contain guarantees longer than six years must be kept for the entire length of the guarantee.  <b>6 RCNY §2-223(b)</b>	<input type="checkbox"/> Yes

For more information: **Visit** [nyc.gov/BusinessToolbox](https://nyc.gov/BusinessToolbox) | **Contact 311** (212) NEW-YORK (Outside NYC)

*This document is provided for informational purposes only, is not exhaustive, and does not constitute legal advice. New York City businesses must comply with all relevant federal, State, and City laws and rules. Businesses are responsible for knowing and complying with current regulations that affect their business.*