

Some Key Points Concerning the Roofing Act and Home Repair Act.

The State of Illinois has two Public Acts that all contractors involved in roofing, home repair or home remodeling need to be aware of. The Illinois Roofing Industry Licensing Act ("Roofing Act") and the Home Repair and Remodeling Act ("Home Repair and Remodeling Act"). Public Act 97-0235, which became effective on Jan. 1, 2012, made a few notable changes to the Roofing Act and Home Repair and Remodeling Act. It is important for contractors to be aware of these changes because failure to comply with the respective acts can result in felony convictions, license revocation and hefty fines.

Roofing Act:

Any person or company that holds itself out as a roofing contractor in Illinois or does work for others involving construction, reconstruction, alteration, maintenance, repair or waterproofing of roofs in Illinois, is required to be licensed under the Roofing Act.

Failure to comply can result in a fine up to \$5,000 per offense for unlicensed practice. The Act also sets requirements for insurance, examination and surety bond to be held by the contractor.

The Roofing Act requires that the contractor's name and license number (as they appear on the license) be affixed on all contracts, bids, building permits, commercial vehicles and advertisements.

Failure to display the roofing contractor's name and license number on all contracts, bids, permits and advertisements can result in a Class A misdemeanor and a fine of \$1,000 per day of the offense.

Other violations of the Roofing Act can carry fines up to \$10,000 per violation under certain circumstances.

Home Repair and Remodeling Act:

This Act is for all contractors whether they perform roofing or not.

The Home Repair and Remodeling Act currently requires a contractor offering repair or remodeling services in excess of \$500 to provide the customer with a copy of the "Home Repair: Know Your Consumer Rights" brochure.

We have a copy of this act on our website or it can be found at the Illinois Attorney General website, www.illinoisattorneygeneral.gov.

For any goods or services over \$1,000, a written contract is required and the acknowledgment portion of the pamphlet must be signed by the contractor and the consumer, with the original to be retained by the contractor and a copy given to the consumer.

Under the Home Repair and Remodeling Act, if a sale for services is made at the consumer's home, the consumer has three days from the date of signing the contract to cancel the contract, which right cannot be deprived by the contractor initiating work.

If the contractor does business under a name other than the contractor's real name, the business must either be incorporated or registered under the Assumed Business Name Act.

BASIC TERMS TO BE INCLUDED IN A CONTRACT

The Home Repair and Remodeling Act lists things that are required to be on the contract.

- (1) Contractor's full name, address, and telephone number.
 - a. Illinois law requires that persons selling home repair and improvement services provide their customers with notice of any change to their business name or address that comes about prior to the agreed dates for beginning or completing the work.
- (2) A description of the work to be performed.
- (3) Starting and estimated completion dates.
- (4) Total cost of work to be performed.
- (5) Schedule and method of payment, including down payment, subsequent payments, and final payment.
- (6) A provision stating the grounds for termination of the contract by either party. However, the homeowner must pay the contractor for work completed. If the contractor fails to commence or complete work within the contracted time period, the homeowner may cancel and may be entitled to a refund of any down payment or other payments made towards the work, upon written demand by certified mail.
- (7) Homeowners should obtain a copy of the signed contract and keep it in a safe place for reference as needed.

IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

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

Attorney General Toll-Free Numbers

Carbondale (800) 243-0607
Springfield (800) 243-0618
Chicago (800) 386-5438".

Most of the revisions to the Home Repair and Remodeling Act involve conduct associated with insurance-related repairs.

Under the revised Act, a contractor cannot offer to pay or rebate any portion of an insurance deductible.

The revised Act also gives the consumer of services to be paid from insurance proceeds the right to cancel the contract within five business days of receiving notice from the insurer that all or any part of the claim or contract is not a covered loss under the consumer's insurance policy, or thirteen business days after the insurer has received a proof of loss from the consumer.

Along with the initial contract, the contractor must also provide the insured a form of Notice of Cancellation that complies with the law.

If the consumer terminates the contract within the dates permitted, the contractor must return any payments, partial payments, promissory notes or deposits, except that a contractor is entitled to retain payment for the reasonable value of goods and services necessary to prevent further damage.

Further, the contractor may not represent the insured on any claim, file a claim for the consumer, or call the insurance carrier on the consumer's behalf.

The revisions do not, however, prevent the contractor from providing an estimate of repairs to the insurer, conferring with an insurance company representative about the damage to the insured's property, or discussing repair or replacement options with the insurance company.

In Conclusion:

Contractors need to be familiar with the Roofing Act and the Home Repair and Remodeling Act. The primary purpose of these laws is to protect consumers, but contractors must also be familiar with the law to protect themselves from possible license revocation, criminal charges and fines.

Contractors need to provide the necessary disclosures and make sure their contracts incorporate certain provisions required by the respective acts, so as not to find themselves in a position of having furnished work only to have the underlying contract voided, leaving the contractor with little chance of getting paid.