

## Article - Business Regulation

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§8-501.

(a) A home improvement contract that does not comply with this section is not invalid merely because of noncompliance.

(b) Each home improvement contract shall:

- (1) be in writing and legible;
- (2) describe clearly each document that it incorporates; and
- (3) be signed by each party to the home improvement contract.

(c) (1) In addition to any other matters on which the parties lawfully agree, each home improvement contract shall contain:

(i) the name, address, telephone number, and license number of the contractor;

(ii) the name and license number of each salesperson who solicited the home improvement contract or sold the home improvement;

(iii) the approximate dates when the performance of the home improvement will begin and when it will be substantially completed;

(iv) a description of the home improvement to be performed and the materials to be used;

(v) the agreed consideration;

(vi) the number of monthly payments and the amount of each payment, including any finance charge;

(vii) a description of any collateral security for the obligation of the owner under the home improvement contract;

(viii) a notice that gives the telephone number and Web site of the Commission and states that:

1. each contractor and each subcontractor must be licensed by the Commission; and

2. anyone may ask the Commission about a contractor or subcontractor; and

(ix) a notice set by the Commission by regulation that:

1. specifies the protections available to consumers through the Commission; and

2. advises the consumer of the right to purchase a performance bond for additional protection against loss.

(2) If payment for work performed under the home improvement contract will be secured by an interest in residential real estate, a written notice in not smaller than 10 point bold type that is on the first page of the contract shall state in substantially the following form: “This contract creates a mortgage or lien against your property to secure payment and may cause a loss of your property if you fail to pay the amount agreed upon. You have the right to consult an attorney. You have the right to rescind this contract within 3 business days after the date you sign it by notifying the contractor in writing that you are rescinding the contract.”

(3) The notice under paragraph (2) of this subsection shall be independently initialed by the homeowner.

(d) Before the performance of a home improvement begins, the owner shall be given a copy of the home improvement contract signed by the contractor.

(e) A salesperson or other agent or employee of a contractor may not make a change in a home improvement contract for an owner.

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