

Understand Your Payment Options

You have several payment options for most home improvement and maintenance and repair projects. For example, you can get your own loan or ask the contractor to arrange financing for larger projects. For smaller projects, you may want to pay by check or credit card. Avoid paying cash. Whatever option you choose, be sure you have a reasonable payment schedule and a fair interest rate. Here are some additional tips:

>Try to limit your down payment. Some state laws limit the amount of money a contractor can request as a down payment. Contact your state or local consumer agency to find out what the law is in your area.

>Try to make payments during the project contingent upon completion of a defined amount of work. This way, if the work is not proceeding according to schedule, the payments are also delayed.

>Don't make the final payment or sign an affidavit of final release until you are satisfied with the work and know that the subcontractors and/or suppliers have been paid. Lien laws in your state may allow subcontractors and/or suppliers to file a mechanic's lien against your home to satisfy their unpaid bills. Contact your local consumer agency for an explanation of lien laws where you live.

>Some state or local laws limit the amount by which the final bill can exceed the estimate, unless you have approved the increase. Check with your local consumer agency.

>If you have a problem with merchandise or services that you charged to a credit card, and you have made a good faith effort to work out the problem with the seller, you have the right to withhold from the card issuer payment for the merchandise or services. You can withhold payment up to the amount of credit outstanding for the purchase, plus any finance or related charges.