

Contractor Best Practices

Home Renovation Loan

Communication Is Key

Please show all your contact information on your repair bid.

Sorry, No Family

Contractors cannot be related to the client or have any identity of interest in the transaction.

Limited or Standard Loan?

Keep in mind certain repairs automatically trigger the need for a HUD or Cost Consultant. These repairs include anything that affects the structural integrity of the property, foundation work or any additions. If the repair total exceeds \$35,000, a 203K Consultant is required.

Getting the Bid Right

An incomplete bid can cause major time delays. Make sure to address the following:

- Buyers Name and Property Address
- Broken Out By Material, Labor, and Sales Tax
- Please double check your math when calculating labor/materials costs
- Permit Costs, If Any
- All Health and Safety Issues are Addressed
- NOT Handwritten , professional printed format
- Bid/Invoice shows Legal Business Name, Address, and Contact Information
- Signed and Dated by Contractor and Buyer when finalized



Clear and Legible Documentation

All documentation needs to be clear and legible. If you are having trouble faxing or emailing the documents, please contact us for assistance.

Put It in Writing!

Most problems arise from oral agreements that were never in writing. Avoid the "He said, she said" routine and have the client document all items in detail.

Lead Based Paint

If the property is built before 1978, HUD requires that an EPA or state certified painter must do the paintwork to remedy chipping and peeling paint. (FHA 203(k) Only)

Minimum Property Requirements

All health/safety items must be included in the repair bid. Please perform a site inspection, as this will eliminate the need to update the bid and all other documentation.



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