

NSCB News Release



**FOR IMMEDIATE RELEASE** November 21, 2011 **CONTACT:** <u>Jennifer Turner</u> Public Information Officer (702) 486-1139

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## <u>CONTRACTORS BOARD WARNS RENO FIRE VICTIMS OF</u> <u>UNLICENSED CONTRACTORS FREQUENTING NEIGHBORHOODS</u>

**RENO, Nev.** – In response to the Caughlin Fire that destroyed dozens of homes and caused damage to many more, the Nevada State Contractors Board (NSCB) is warning affected homeowners to be cautious of unlicensed contractors who will likely begin frequenting neighborhoods soliciting repair/rebuild work. Any person who comes into contact with an unlicensed contractor is encouraged to obtain as much information on the individual as possible and contact the Reno Unlicensed Contractor Hotline at (775) 850-7838.

"Losing a family home is one of the most stressful events anyone can experience," Governor Brian Sandoval said. "I encourage residents not to make snap decisions during this time and to exercise due diligence working with contractors, insurance agents and government agencies."

Due to the emergent need to rebuild or repair homes in the Reno area, NSCB is informing homeowners of various schemes that may occur by unlicensed contractors and offering tips on how to hire licensed contractors.

"Our hearts go out to the residents of Reno impacted by the fire," said Margi A. Grein, executive officer of NSCB. "We know these are stressful and urgent times for all impacted, which is why the Contractors Board will be out in the community answering questions, providing information to residents, and keeping an eye out for unlicensed contracting activities."

## **UNLICENSED CONTRACTOR SCHEMES – COMMON RED FLAGS**

- *Door-to-Door Solicitations* Contractors may come to the door immediately surveying damage and selling their services on-the-spot at a reduced price.
- *Verbal Agreements* Contractors may say that a written contract is unnecessary.

- High Pressure Sales Contractors may push for an immediate decision about work and does not allow the homeowner time to verify their contractor's license, obtain multiple bids, or check contractor references
- Demands for Cash Payment Contractors may insist on cash payments, even offering to drive/follow the homeowner to the bank to obtain the funds
- Demands for Large Down Payment Contractors may say that they need the majority of the funds to purchase supplies and pay workers prior to any work being performed. As a general rule of thumb, it is best not to pay more than ten percent down and not let payments get ahead of the work.

## TIPS FOR HIRING LICENSED CONTRACTORS

- 1. Ask for the contractor's license number and verify it on NSCB's website: <u>www.nscb.nv.gov</u>. If you do not have access to the Internet, you can verify licensure by calling NSCB's office at (775) 688-1141
- 2. Obtain at least three bids prior to making your decision
- 3. Ask for references from each contractor and follow up with them to verify the quality and timeliness of the work previously performed for those customers.
- 4. Make sure your contract is as detailed as possible, including type/color of materials, payment schedules, etc.
- 5. Never sign a contract until you understand all the terms and agreements.
- 6. Always obtain a receipt when payment is made. It is advised never to pay in cash only check or credit card.
- 7. Request lien releases after each phase of the project is complete.
- 8. Don't let the payments get ahead of the work.
- 9. Report any suspicious activities to the Contractors Board at (775) 688-1141

It is a criminal offense to contract without a license in the State of Nevada. The first offense is a misdemeanor, second offense is a gross misdemeanor, and the third offense is a Class E felony.

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