

Contractor Vetting Checklist

Fifteen checks before you sign anything. A renovation loan protects you with escrowed draws — but the best protection is a contractor who never needed protecting against. Bring this to the walkthrough.

CREDENTIALS — VERIFY, DON'T ASK

- Active license in your state/city**
Look it up yourself on the licensing board's site — takes 2 minutes.
- General liability insurance certificate**
Request the certificate directly from their insurer, listing you.
- Workers' compensation coverage**
If a worker is hurt without it, the claim can land on the homeowner.
- Bonded (where required)**
Some jurisdictions and project types require it.
- Business age & permanent address**
A truck and a cell number is not a business record.

TRACK RECORD

- 3+ recent references — and call them**
Ask: on budget? on time? how were surprises handled? would you rehire?
- Photos of comparable completed projects**
Comparable scope — a deck portfolio doesn't prove a kitchen.
- Renovation-loan draw experience**
Ask directly: "Have you worked with 203(k) or HomeStyle draws?"
Inexperience here causes payment friction.
- Online reviews & complaint history**
BBB, Google, state consumer-protection complaint database.

THE BID & THE CONTRACT

- Itemized, written bid — never a lump sum**
Line items for labor and materials by room/system. Lenders require it anyway.
- Timeline with start & completion dates**
Your loan has a completion window (9–12 months); the contract must fit inside it.
- Payment terms matched to loan draws**
Payments follow inspected work from escrow — a contractor demanding large cash up front is a mismatch (and a flag).
- Who pulls permits — in writing**
Should be the contractor. "We don't need permits" is a walk-away answer.
- Change-order process defined**
How mid-project changes are priced, documented and approved.
- Warranty on labor — in writing**
One year is a common floor for workmanship.

WALK AWAY IF...

Red flags: demands large cash deposits outside the draw schedule · pressure to sign today for a "special price" · no physical address · won't provide insurance certificates · suggests skipping permits · bid dramatically below every other bid (that money comes back out of you later) · unreachable for days during the bidding phase — it only gets worse after signing.