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Maryland Home Improvement Commission (MHIC)

Presenter – David Finneran, Executive Director
What is MHIC?

- Licenses and regulates home improvement contractors and salespersons
  - Altering, remodeling, repair or replacement of a building or part of a building used as a residence
  - Type of work covered [https://www.dllr.state.md.us/license/mhic/mhicwhatishi.shtml](https://www.dllr.state.md.us/license/mhic/mhicwhatishi.shtml)
  - Investigate complaints by homeowners
  - Prosecute violators of home improvement laws

- Maintains Guaranty Fund
  - Licensed contractors pay assessment
  - Compensates homeowners for actual monetary losses
Licensing

➢ Useful links
  ➢ License categories
    https://www.dllr.state.md.us/license/mhic/mhiclicreq.shtml
  ➢ Obtaining a license
    https://www.dllr.state.md.us/license/mhic/mhicapply.shtml
  ➢ Obtaining a license workshop
    https://www.dllr.state.md.us/license/mhic/mhicworkshop.shtml
Tips for finding contractors

- Hire only licensed contractors – [License Search](#)
- Get 3 bids, be wary of door-to-door sales
- Request references from a prospective contractor—check them!
- Get a copy of the contractor’s current liability insurance certificate.
- Always get a written contract.
- Pay no more than 1/3 of the contract price as down payment; never pay cash
- If a building permit is needed, ask to see it before work starts.
- If the contractor is providing lead paint abatement services, see if the contractor is accredited to do this work. Call 410-537-3825
Special tips for those affected by floods and national disasters

- Scams are common after floods and other disasters.
- Plumbers, HVAC Contractors, Locksmiths, and Master Electricians are licensed by the Department of Labor Division of Occupational and Professional Licensing.
- Individuals offering to work with your insurance must be licensed public adjusters – this can be checked with the Maryland Insurance Administration 800-492-6116.
Unlicensed Contractors

- Depends on the kind of activity
- Unlicensed contractors who advertise may receive warning letters
- Guide them into being licensed
- If unlicensed contractor has stolen money or caused other harm, criminal charges can be filed
- Consumers should file complaints https://www.dllr.state.md.us/license/mhic/mhiccomp.shtml
Filing a Complaint - preliminaries

- Consumer can opt for mediation on the complaint
  - Most go through Community Mediation of Maryland, some through the Better Business Bureau mediation or the Office of the Attorney General Consumer Complaint mediation

- The claim is stayed if the contract requires binding arbitration – AAG determines if arbitration is binding

- Any claims on the Guaranty Fund are stayed if a court action is pending.
Filing a Complaint – Licensed Contractors

- After filing a complaint – contractor has 30 days to respond

- The complaint and any response are sent to an investigator to gather the licensing documents and confirm enough information has been provided

- Claim form provided to consumer to determine actual loss – should be an estimate or proposal provided by another contractor
  - Contractor acts as industry expert for hearing

- Then goes to an Administrative Law Judge (ALJ)

- Claims without a response & less than $7500 don’t need to go to ALJ
Adjudication

- Hearing before ALJ scheduled w/in 90 days after investigator sends the claim
- After hearing, up to 90 days for ALJ to issue Recommended Decision
  - Commission reviews Decision and issues a Proposed Order
  - Proposed Order becomes Final Order if not appealed
- Can request an exceptions hearing
  - Panel of Commissioners can amend Recommended Decision
- After Exceptions Hearing, can appeal to Circuit Court
Guaranty Fund

- Pays claims to consumers after adjudication of claim
- Capped at $20k per homeowner per contract
  - If claims against a contractor exceed 100k – consumer’s claim is prorated
- Guaranty Fund workshop for homeowners and contractors
  - [https://www.dllr.state.md.us/license/mhic/mhicgfworkshop.shtml](https://www.dllr.state.md.us/license/mhic/mhicgfworkshop.shtml)
Resources for MVLS Volunteers: Looking for Pro Bono Cases?
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August 16 – Vacature

September 18 – Human Trafficking & Immigration

September 19 – Changes in the Law this Year

October 10 – Building a Case – Discovery & Evidence Gathering In District Court Collections