Fox Rothschild LLP
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CONSTRUCTION PRACTICE & LITIGATION DEPARTMENT

ALERT

UPDATE: Pennsylvania's Home Improvement Consumer Protection Act

By Adam Silverstein and Julie Goldstein

The Pennsylvania Attorney General has recently instituted registration of all contractors pursuant to the Home Improvement Consumer Protection Act (HICPA). HICPA provides protections to a consumer above and beyond those set forth in Pennsylvania's Unfair Trade Practices and Consumer Protection law.

Pursuant to HICPA, prior to July 1, 2009, all contractors must register with the Pennsylvania Attorney General's Bureau of Consumer Protection. The registration forms can be accessed through the Pennsylvania Attorney General's website at www.attorneygeneral.gov, at the bottom of the page where it states "It's now the law." Registration can be completed online or by printing out and mailing in the application.

Any contractor who does more than $500 worth of work for a consumer in his or her home or on the land surrounding the home must register with the Attorney General.

Contractors should be prepared to provide: names, home addresses, telephone numbers, driver's licenses numbers, social security numbers, and all prior business names and addresses of the home improvement businesses operated by the individual or each partner, officer, manager, etc. HICPA also mandates that all contractors obtain and provide proof of liability insurance covering personal injury and insurance for property damage in a minimum amount of $50,000.

HICPA also requires each applicant, whether it be an individual or a company, to provide a complete description of the nature of the business and provide a statement that lists whether the individual or the company has ever been convicted of a criminal offense relating to a home improvement transaction, fraud, theft, deception or fraudulent business practices. Furthermore, each applicant must disclose any final civil judgments entered against it relating to a home improvement transaction in the last 10 years, or whether it has ever filed for bankruptcy.

HICPA also requires an applicant to disclose whether a certificate or similar license issued by another state or township was revoked or suspended by a court. This provision of HICPA extends to any other business in which the applicant has ever had an interest, and is not limited to a home improvement business. In addition, an applicant must inform the Bureau whether he or she is registered in another state, and if any disciplinary action has occurred in that state.

In addition to registering, all contracts must comply with HICPA by July 1, 2009.

Fox Rothschild advises that if contractors have any doubts about their ability to comply with HICPA, they should immediately consult with counsel.

If you have any questions regarding HICPA, the registration process, or your contract's compliance with HICPA, please contact Adam Silverstein at 215.918.3611 or asilverstein@foxrothschild.com, or Julie Goldstein at 215.918.3558 or jgoldstein@foxrothschild.com. Visit us on the web at www.foxrothschild.com.

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