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Home Improvement Regulations Frequently Asked Questions (FAQ)

This document provides answers to frequently asked questions about the Home Improvement Regulations (6 Del. Admin. Code § 106) (the "Regulations"). Please note that the Consumer Protection Unit of the Delaware Department of Justice is not able to provide you with legal advice, as we are not your attorney. These Regulations can be enforced by the Consumer Protection Unit and can also form the basis for a private right of action under the Consumer Fraud Act. This FAQ document provides general guidance on the Consumer Protection Unit's approach to these Regulations, however a court may interpret them differently. If you need legal advice, please consult an attorney.

The guidance herein is subject to and qualified by the Consumer Fraud Act (https://delcode.delaware.gov/title6/c025/sc02/index.html) and the Regulations (https://regulations.delaware.gov/register/october2023/final/27%20DE%20Reg%20254%2010-01-23.pdf) themselves. Please be sure to also review those governing laws.

1. Q: Do these Regulations apply to my business?

A: These Regulations apply to home improvement transactions. If the services that you provide fit into the home improvement definition in Section 2.0, then these Regulations apply to those services. Home Improvement is defined in Section 2.0 of the Regulations as follows:

"any alteration, repair, addition, modification or improvement to any dwelling or the property on which it is situated, including but not limited to the construction, painting or coating, installation, replacement or repair of driveways, sidewalks, swimming pools, unattached structures, porches, kitchens, bathrooms, chimneys, fireplaces, stoves, air conditioning or heating systems, hot water heaters, water treatment systems, electrical wiring or systems, plumbing fixtures or systems, doors or windows, roofs, gutters, downspouts and siding."

2. Q: I only do commercial work and do not do any residential work. Do these Regulations apply to me?

A: Commercial work is not covered by these Regulations, as commercial work does not fit under the definition of home improvement in Section 2.0 of these Regulations. If you exclusively do

commercial work, then these Regulations do not apply to you. However, if you are hired by a business to do work on a dwelling or the property on which a dwelling is located, then these Regulations apply.

3. Q: Do these Regulations apply to new home construction?

A: No. Pursuant to Sections 1.2 and 2.0, these Regulations do not apply to new home construction.

4. Q: I contract exclusively with Home Owner Associations (HOAs). Do these Regulations apply to me?

A: The relevant factor for whether these Regulations apply to you is the nature of the work you are doing, not who you are contracting with. If the work you do falls under the home improvement definition in Section 2.0 of the Regulations (see FAQ 1, above), then these Regulations apply to that work. If that work does not fall under the definition in Section 2.0, then these Regulations do not apply.

5. Q: What are these Regulations about?

A: These Regulations require certain disclosures and prohibit certain practices by home improvement contractors, especially in connection with the contracts they sign with homeowners or other clients. The Consumer Protection Unit also prepared a summary of these Regulations, which is available at: <u>https://attorneygeneral.delaware.gov/wp-</u> content/uploads/sites/50/2023/11/Home-Improvement-Regs-Summary.pdf.

To read the Regulations in their entirety, please visit: <u>https://regulations.delaware.gov/register/october2023/final/27%20DE%20Reg%20254%2010-01-23.pdf</u>.

6. Q: If I am replacing or repairing an existing product, do these Regulations apply to that transaction?

A: Yes, repairs and replacements both fall under the definition of home improvement in Section 2.0 of these Regulations. See FAQ 1, above.

7. Q: If a contractor is doing work on a home and a homeowner wants to add another product or service, is a new contract necessary?

A: An entire new contract is not necessary, but there at least must be a written instrument, signed by both parties, detailing the terms of the addition. This written instrument must be accompanied with a copy of the summary of these Regulations discussed in FAQ 5, above.

8. Q: The Regulation requires a home improvement contractor to disclose in a home improvement contract all delivery and installment charges. Do these charges have to be disclosed separately, or can they be included in the total cost?

A: Delivery and installment charges do not need to be disclosed separately. They can either be included in the total price or disclosed separately.

9. Q: Does the summary of the Regulations have to be provided to the consumer as a separate document or can it be included as part of the contract?

A: The summary can either be integrated into the contract or provided separately, but it must be provided in the format made available by the Consumer Protection Unit, including the Department of Justice letterhead, varying font sizes and, if provided electronically, hyperlinks.

10. Q: Does my contract have to include all of the materials that I use for a job?

A: It depends on the work being done. The relevant provision is Section 3.1.1 of the Regulations, which requires a home improvement contract to meaningfully describe, among other things, the merchandise purchased. This means that the merchandise purchased must be described meaningfully enough that the buyer can sufficiently evaluate what the home improvement contractor is offering to provide. Merchandise, as defined in 6 Del. C. § 2511 (6), means "any objects, wares, goods, commodities, intangibles, real estate or services."

Whether a description of the materials used is necessary to meaningfully describe the merchandise will depend on the services or other merchandise being provided. For example, in a contract for floor installation services, it would not be sufficient to simply state that the home improvement contractor is providing floor installation services. To meaningfully describe the merchandise purchased, the contract should include further details, such as, at a minimum, what material the floor will be made of (tile, oak, etc.), the area (square footage or room) that is being worked on, and the type of finish to be provided. (More details might be required depending on the specific project.) However, less meaningful details such as the amount of screws or the number of sanding belts to be used would not need to be included. Of course, nothing in the Regulation prevents a home improvement contractor from being more specific than the Regulation requires.

These Frequently Asked Questions may be updated from time to time as the Consumer Protection Unit receives additional questions. If you have a question that is not answered above, please email us at consumer.protection@delaware.gov