This is the fifth in a series of six articles on questions from the files of the CAI Consumer Protection Program. This free program provides information on consumer rights and helps to resolve disputes between consumers and merchants and landlords and tenants. Today's article discusses home improvement contract law.

Q: I had my unfinished basement waterproofed and converted into an extra room. It flooded during a rainstorm and ruined the carpeting and walls. My neighbor told me about a guaranty fund. What is it and can I use it to get money for my damages? Stanley B, Bradford

A: The guaranty fund was created to compensate consumers up to $10,000 for unpaid judgments against home improvement contractors. You can obtain an application from the Office of Consumer Affairs. You must be able to prove several things to receive money from the fund: 1) there was a contract for the job; 2) the contractor was registered with the Board of Building Regulations and Standards at the time of the contract; 3) the contractor obtained a building permit; 4) the contract was for work on an existing structure that is the owner's primary residence and has no more than four units; 5) a court judgment or arbitration award was made in the homeowner's favor and all reasonable efforts have been made to collect the award or judgment; and 6) you filed an application within six months of the award or judgment.

Q: Should I do what a paver has asked and give him 50% of the cost of the job before he starts working on my driveway? I'm afraid I'll never see him again. Beverly M., Lawrence

A: No. A contractor cannot collect more than one-third of the cost of the job in advance unless materials must be special ordered.

Q: I need to finance a remodeling job on my home. The contractor offered to lend me the money. Is that a good idea? Stephen D., Haverhill

A: No and it's against the law. A contractor also may not offer you financing with a specific lender if your home is being used as collateral.

Q: I signed a contract with a man who came to my door and said I should have my roof replaced. I've changed my mind. Can I get out of the contract? Sarah T., Haverhill

A: In Massachusetts you have a three-day “cooling off” period during which you may rescind a home improvement contract that was signed away from the contractor's place of business.

Q: I am getting ready to remodel my kitchen. What steps should I take to protect myself when I'm about to spend a lot of money? Bob G, Bradford

A: Interview three contractors and request written estimates. Check with the Board of Building Regulations and Standards to make sure the contractor is currently registered with the Commonwealth. Check references and contact the Consumer Protection Program to find out if there has been a history of complaints against the contractor.

After you have selected your contractor, make sure you get a detailed written contract. You should do this even for small jobs. The contract should include the contractor's registration number, price, payment schedule, list of materials, start and completion dates, a provision for changes, a copy of the contractor's insurance and a notice about the required three-day cancellation policy. Have the contractor obtain the building permit. If you do this yourself, or if you use an unregistered contractor, you might not be able to collect from the guaranty fund if you have a problem with the work.

If you need help resolving a conflict with a home improvement contractor, visit the Consumer Protection Program, located at Community Action, Inc., 3 Washington Square, Haverhill or call 978-373-1971. The program is funded through the Massachusetts Office of the Attorney General.