NEWS RELEASE

Steve Marshall Alabama Attorney General



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Attorney General Steve Marshall Warns Alabama Storm Victims to be on Guard Against Home Repair Fraud and Price Gouging

(MONTGOMERY) – As Tropical Storm Ida buffets Alabama's coastal and western counties, Attorney General Steve Marshall warns Alabamians in storm-affected areas to be wary of price gouging, as well as potential scams and fraud during storm damage cleanup, repair and rebuilding.

Governor Kay Ivey declared a state of emergency effective 2:00 pm CDT August 28, 2021, for Baldwin, Bibb, Choctaw, Clarke, Colbert, Conecuh, Dallas, Escambia, Fayette, Franklin, Greene, Hale, Lamar, Lauderdale, Lawrence, Marengo, Marion, Mobile, Monroe, Perry, Pickens, Sumter, Tuscaloosa, Walker, Washington, Wilcox and Winston counties for possible strong winds, flooding and tornadoes from Ida's close passage to Alabama early this week.

"Governor Ivey's state of emergency for Alabama's coastal and western counties automatically triggered the state's price gouging law for goods and services related to the storm for the duration of the state of emergency," said Attorney General Marshall. "Furthermore, as residents in affected areas seek to clean up and make repairs after the storm, they should not let their guard down for those unscrupulous individuals who seek to victimize them a second time. Do not pay in full up front for clean up and home repair work, and always ask to see a contractor's state builder's license."

Alabama Home Builders Licensure Board Executive Director, J.R. "Chip" Carden, cautions homeowners who experience damage as a result of Tropical Storm Ida, and emphasizes the importance of the consumer knowing about the potential problems of contracting for homebuilding and remodeling with unlicensed contractors. "Do your homework," Carden advises. "Call any references the builder gives you and check with the Board to confirm if a builder is licensed and in good standing. Don't be in a rush. A bad decision now can make a difficult situation even worse."

The Home Builders Licensure Board and the Attorney General's Office offer steps consumers should take to protect themselves from fraud when hiring workers for storm damage repairs:

--Ask if they are licensed. Ask to see the card! The HBLB license is a credit card-sized license – a sample is listed on HBLB's website. You may check on a builder's license status by calling **1-800-304-0853**, or by visiting <u>www.hblb.alabama.gov</u>.



--Ask for and check references, especially if the builder makes unsolicited contact with you or is from out-of-town.

--Make sure quotes and contracts are in writing. Under state law, licensed homebuilders must use a written contract. Make sure it includes the contractor's full name, address, telephone number, a description of the work to be performed, starting and estimated completion dates, and the total cost of the job.

--NEVER make a full payment or substantial down payment up front. Do not make a final payment until you are satisfied, and all subcontractors have been paid. If they tell you that more money is needed in advance, be wary.

--Ask for proof of insurance, including workers compensation and general liability.

--Make sure you can contact them. Be certain to get an office number and a cell phone number, and a physical address. Businesses with established addresses may be safer.

Attorney General Marshall reminded consumers of potential price gouging in areas affected by the storm. Alabama's price gouging law is activated when a state of emergency is in effect. This law prohibits the "unconscionable pricing" of items for sale or rent. Although what constitutes an unconscionable price is not specifically set forth under state law, a price that is 25 percent or more above the average price charged in the same area within the last 30 days – and which was not due to legitimate increases in product supply costs - is a 'prima facie' case of unconscionable pricing.

"Residents in the affected counties may report concerns of alleged fraud or price gouging to my office for investigation," said Attorney General Marshall. "To fill out a complaint online, visit <u>www.alabamaag.gov</u> and look for the 'consumer complaint' link. You may also dial our Consumer Interest Division toll-free, **1-800-392-5658**."

For information about home repair licensing and potential fraud, contact the Home Builders Licensure Board, 445 Herron Street, Montgomery, Alabama 36104, (334) 242-2230 or **1-800-304-0853** or <u>www.hblb.alabama.gov</u>.

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