

Attorney General Issues New Regulations for Home Improvement Contracts

By **William B. Larson, Jr.**

November 27, 2023

New regulations from the Delaware Attorney General's Office require contractors to include specific cost, timing and warranty information in all home improvement contracts. Starting November 1, 2023, all contracts for home improvement projects must include the following terms:

- + Estimated completion date
- + Contract price and merchandise to be delivered
- + Methods used to reach any "cost plus" figures
- + All material and relevant terms of the agreement
- + All express and disclaimed warranties
- + Delivery and installment charges
- + Contractor's contact information
- + Whether oral agreements and modifications are valid under the contract
- + Right of the homeowner to cancel the contract under 6 Del. Code § 4402(2)
- + A summary of these regulations

Furthermore, the regulations prohibit contractors from conducting their businesses in the following ways:

- + Falsely claiming merchandise is state of the art
- + Requiring the homeowner to sign the contract before it is binding on the contractor
- + Including liquidated damages clauses that would entitle the contractor to the full contract price even if no work is performed
- + Inducing a homeowner to sign a certificate of completion if work is not complete
- + Inducing a homeowner to sign anything when the contractor has reason to know the homeowner cannot read or does not understand the contract
- + Misleading a homeowner into believing that the down payment is the full price if it is not
- + Falsely presenting themselves as part of a firm, group or government agency
- + Misrepresenting whether a contract price is binding or an estimate
- + Misrepresenting the quality or composition of any merchandise
- + Misrepresenting a standard cost as "reduced"

The Attorney General's Consumer Protection Unit issued 31 new regulations pursuant to their authority under the Consumer Fraud Act (6. Del. Code § 2511). They are available [here](#). The unit was prompted to act after receiving over 120 complaints from consumers in the first seven months of 2023. Following notice and hearing of the proposed regulations, they went into effect on November 1, 2023, and apply to all contracts for home improvement contracts made after that date.

Under the Consumer Fraud Act, consumers can file a complaint with the Attorney General's office if they suspect a violation. The act also creates a private cause of action against any contractor who does not adhere to these new regulations, clearing the way for civil suits against non-compliant contractors. See 6 Del. Code § 2525.

Author Wade Bredin is an MG+M law clerk.

Attorney General Issues New Regulations for Home Improvement Contracts

(Continued)



mgmlaw.com