

Many people believe that building your own home automatically means lower cost.

But are you prepared for...

*Construction Management
Codes & Permits
Insurance
Financing
Warranties*

Ask yourself the following questions and get the facts about self-contracting. A licensed builder may be your solution to owning your new home.

To find out if your builder is licensed or to seek a referral contact the following:

*Louisiana State Licensing Board for
Contractors
225-765-2301*

*Louisiana Home Builders Association
800-272-9912*

*Acadian Home Builders Association
337-981-3053*

*Capital Region Builders Association
225-769-7696*

*Central Home Builders Association
318-443-1902*

*Natchitoches Home Builders Association
318-352-8105*

*New Iberia Home Builders Association
337-365-0075*

*New Orleans Home Builders Association
504-837-2700*

*Northeast Home Builders Association
318-387-6795*

*Northwest Home Builders Association
318-797-8222*

*Southeast Home Builders Association
985-868-4225*

*Southwest Home Builders Association
337-478-7893*

*St. Landry Home Builders Association
337-585-2027*

*St. Tammany Home Builders Association
985-641-6063*

*Tangipahoa Home Builders Association
985-543-0023*



WARNING!

*Are you Building
or Selling Illegally?*

*Louisiana Home
Builders Association
Promotes Using a Licensed
Builder, It's the Law!*



Q. Are self-building homeowners unlicensed builders?

A. Yes!

Q. If I hire someone to supervise the construction of my home, must they be licensed?

A. Yes! If the cost of your project is over \$50,000, hired supervisors must also be licensed.

Q. How do I determine if a builder is licensed?

A. A licensed builder should have their state license to present to you. You can also contact the state licensing board or visit their website at www.lslbc.state.la.us to verify your builder's information.

Q. What if I sell the home when it is completed?

A. Then you are in violation of the builder's licensing law and can be fined up to 3% of the value of the home.

Q. How does an unlicensed builder's involvement affect the construction of my home?

A. Many complications can result from this action, such as the following:

- Your job can be stopped while the licensing board investigates a possible violation. This could take months.

- While the construction is stopped, you are still responsible for per diem interest payments and such a delay could exhaust the time period for your construction loan.

- If found in violation, the builder cannot complete the home and you must find other avenues to finish the home.

- There could be a possibility of vendor liens due to non-payment by your builder after construction has stopped.

- Liens must be paid before clear title can be passed at closing.

Other complications and litigation could make the situation worse!

Q. How does this activity affect lenders?

A. If construction is stopped, your funds can be in jeopardy. The potential fines could limit the homeowner's ability to close the loan.

Q. What about realtors?

A. Realtors, too, should be aware of possible problems that could result from selling a home built by an unlicensed builder. Realtors should verify status of the builder before listing or selling a new home.

Q. So, can I really build my own home?

A. Yes, you can! According to the law you must occupy the home when it is completed. Also, you cannot apply for

another building permit until one year after initial occupancy. However, you are still required to build the home in accordance to the state law even if you live in an area that does not require permits or inspections.

Q. What is the purpose of the law?

A. The builder licensing law was enacted to protect the consumer. Consumer protection is afforded by the fact that licensed builders must meet certain professional and business requirements set by the state such as workers compensation insurance, general liability insurance, continuing education and sound business practices.

Q. What about warranties?

A. You have the same warranty responsibilities as a professional builder. The New Home Warranty Act states that a builder is required to provide warranties for a one, two & five year period.

Did you know, depending on the size and location of your building site, you may be required to submit a Storm Water Run Off Plan to the Louisiana Department of Environmental Quality. Be aware, there are many other possible laws and regulations that could affect your building process.

If you need further information or clarification on the law, contact the Louisiana State Licensing Board for Contractors at 225-765-2301 or your local homebuilders association.