



Consumer Flood Information Sheet

APPLIANCES

If one repair person tells you that an expensive or major appliance should be replaced, ask for the opinion and replacement cost in writing. Ask to see the contractor's state and/or local business license. Talk to your insurance adjuster about the cost, and consider getting a second opinion. You may also want to ask questions to determine the impact replacing parts or repairing an appliance will have on any warranties you have on the appliance. Make sure your contract lists materials to be used and a completion date. As always, do not make the final payment until the work is completed and you are satisfied with the job. Always remember safety is the most critical element of your decision. For example, if a water heater has been submerged in water, it may be considered unsafe to reconnect a gas line until a replacement water heater is installed .

AUTOMOBILES

If your car was submerged in at least a foot of standing water for more than an hour, have it checked out by a car dealer or repair shop. Even if it runs, hidden damage could pose problems later on. Get detailed written estimates, and keep copies of receipts and invoices.

If you're buying a used vehicle, inspect it carefully. Look at hidden parts or crevices to check for mud or silt, which indicates water damage.

Some clues include:

- new upholstery or carpeting;
- dirt or mud in air vents or on top of the engine;
- musty or moldy smell;
- when fully extended, is seatbelt discolored or does it have water stains;
- fluid contamination (oil, power brakes, transmission, etc.) A mixture of motor oil and water looks milky white.

Before you buy a used car, do a title search. Check the previous owner's name and address, purchase date and price, sales tax if the previous owner bought the car from a dealer, and the odometer reading. You must have the Vehicle Identification Number (VIN) to do this. It's on the dashboard. Please remember "as is" means just that.

The National Insurance Crime Bureau (NICB) has compiled a database of vehicles affected by hurricanes Katrina and Rita in 2005. The information in this database was gathered from a number of sources, including insurance companies, salvage yards, and state and local authorities. In addition, some, but not all, states require that a vehicle's title indicate when it has been salvaged.



Consumer Flood Information Sheet

CHARITY SCAMS

Most charitable organizations are honest and put donations to good use. But some spend the majority of donations they receive on salaries and administrative costs. Occasionally, scam artists solicit donations for fake or existing charities and pocket the money. Before you give, ask three questions:

- How will your contribution be spent?
- What portion of your contribution goes to salaries and administrative costs?
- If you are solicited by telephone, does the caller work for a professional fund-raiser? Tennessee law requires this disclosure.

You should contact the Tennessee Secretary of State's Division of Charitable Solicitations to determine whether the entity is registered as a charitable solicitor. Go to <http://tennessee.gov/sos/charity/> or call 615-741-2555

CONTRACTOR SCAMS

When flood waters recede you may discover that your floor-damaged home or business may need extensive repair or demolition. Insurance settlements and flood relief from the federal government to property owners can provide con artists with opportunities to profit unfairly. It is no secret that fraudsters follow the money, attracted by the demand for repairs and the availability of funds.

When you deal with contractors:

- Ask for copies of their general liability and worker's compensation insurance.
- Check their identification and references.
- Do not pay more than the minimum in advance.
- Deal with reputable people in your community.

Call the police, the Tennessee Division of Consumer Affairs and the Better Business Bureau if you suspect a con.

If your house is severely damaged, make sure you can legally rebuild if you intend to. When you file for a building permit, local inspectors will determine what federal regulations you must comply with. Make sure you check the building permit for any restrictions and the new structure meets any elevation standards.

If your house is basically intact, but you need a contractor to help with some repairs, ask questions first and pay later. Remember to be SKEPTICAL: watch what is charged in your name at the building supply store.



Consumer Flood Information Sheet

Choosing a Contractor

- Get recommendations from friends, relatives, neighbors, co-workers, insurance agents, or claims adjusters.
- Deal only with licensed and insured contractors. It is important to check with the Department of Commerce and Insurance to determine if a contractor is licensed in the State of Tennessee and to see if there are complaints against them. Call (615) 741-2241 to check on a particular contractor. Check with the Tennessee Division of Consumer Affairs, your local Better Business Bureau and Home Builders Association to see if complaints have been lodged against any contractor you're considering.
- Be skeptical of contractors who encourage you to spend a lot of money on temporary repairs.
- Get a written estimate that includes any oral promises the contractor made. Remember to ask if there's a charge for an estimate before allowing anyone into your home.
- Take your time about signing a contract. Ask for explanations for price variations, and do not automatically choose the lowest bidder. Resist dealing with any contractor who asks you to pay for the entire job up-front. A deposit of one-third of the total price is standard. Pay only by check or credit card and pay the final amount only after the work is completed to your satisfaction. Do not pay cash.
- Ask a knowledgeable friend, relative, or attorney to review a home repair contract before you sign. Get a copy of the final, signed contract before the job begins.
- Ask the contractor you choose to provide a lien waiver before starting your job. This is a receipt that says the workers and suppliers of material will not ask you for money once you have paid the contractor. In any case, do not sign a consent of owner statement: it says you, the property owner, will cover the costs of materials and labor if the contractor does not pay.

DAMAGED OR LOST DOCUMENTS

It is important to replace any legal documents that have been damaged or lost. Among those documents that should be replaced – and the contacts – are:

- Deeds and recorded real estate documents: County's Recorder of Deeds
- Mortgages and other credit: Lender or financial company
- Leases: Landlord or financial company
- Insurance policies: Insurance company/agent
- Wills: Attorney. If the will is destroyed, you'll need another.
- Checks/passbook savings book/investment materials: Bank, investment company, or your broker.



Consumer Flood Information Sheet

- Auto title: Department of Revenue
- Driver's license: Department of Safety
- Birth certificate: Department of Vital Records
- Social Security card: local Social Security Administration Office
- Tax returns: IRS
- Other important documents, such as contracts or divorce judgments: Attorney or the court

A very important document to have at this time is your credit report because it lists all your creditors. Everyone is entitled to one free credit report every 12 months from each of the three nationwide consumer reporting companies. Log on to <https://www.annualcreditreport.com/> or call, toll-free, 1-877-322-8228 for your free credit report. If you have already gotten your free credit report this year from each of the companies, you may have to pay for another copy – but it won't cost more than \$10.50.

DEBRIS REMOVAL SCAMS

If you are dealing with a company or person who promises to remove debris from your property, ask them to list the services they will provide in writing. Do not make the final payment until you have inspected the job and are happy with it. Check around for prices to make sure you are not overcharged.

DOOR-TO-DOOR SALES (COOLING OFF RULE)

As flood waters recede, you may find salespeople at your door offering a variety of home-repair products or services. You may have certain cancellation rights when sales occur in your home, from the back of a truck, or anywhere but the seller's established place of business.

If the sale is more than \$25, you can cancel within three days and still get a full refund. The salesperson is required to tell you about your three day right to cancel and give you a form to use. Under Tennessee law if you request the seller to provide the goods or services without delay because of an emergency in writing stating you are waiving your right to cancel due to the emergency, you will not be able to cancel the transaction.

You can cancel for any reason, but you have to do it in writing. Sign and mail the form the salesperson gave you at the sale. Make sure it is post-marked before midnight on the third business day after the sale. Report any problems with door-to-door sales to the Tennessee Division of Consumer Affairs at tennessee.gov/consumer/index.shtml or (615) 741-4737 and the Federal Trade Commission at <http://www.ftc.gov/>, or 1-877-FTC-HELP.



Consumer Flood Information Sheet

FAKE DISASTER OFFICIALS

Always ask for identification from any officials who stop at your home or your temporary shelter. Some scam artists claim to be government officials who could help you qualify for disaster relief payments for a “processing” fee. Others masquerade as safety inspectors or utility repair workers who say immediate work is required. Still others say they can get you FEMA funds for a fee. FEMA does not charge application fees. In fact, no government agency charges application fees.

Verify the credentials of anyone who is offering you low-interest government loans. Confirm that they are affiliated with such agencies by calling the agencies if necessary.

FLOOD RESTORATION

Your home and its contents may look beyond hope, but it is possible some of your belongings can be restored.

- **Play it safe.** The dangers are not over when the water goes down. Your home's foundation may have been weakened, the electrical system may have shorted out, and floodwaters may have left behind things that could make you sick. When in doubt, throw it out. Don't risk injury or infection.
- **Ask for help.** Many people can do a lot of the clean up and repairs. But if you have technical questions or do not feel comfortable doing something, get professional help. If there is a federal disaster declaration, a telephone "hotline" will often be publicized to provide information about public, private, and voluntary agency programs to help you recover from the flood.
- **Floodproof.** If it is likely your home will be flooded again someday, you can save a lot of money by floodproofing as you repair and rebuild. You should also prepare for the next flood by buying flood insurance and writing a flood response plan.

For more information, read the Red Cross's Repairing Your Flooded Home at http://www2.redcross.org/static/file_cont333_lang0_150.pdf.

FOUNDATION, EXCAVATION, OR WATERPROOFING WORK

Occasionally, workers offer to use “leftover” materials to repair your home. Very often, these are not left over from a previous job, but rather poor quality materials. Some states report that common household paint has even been used in fraudulent waterproofing scams. What can you do?

- Get all proposals and contracts in writing.
- Get a second opinion.
- Check the identification of the workers.



Consumer Flood Information Sheet

Inspect the work before it is covered – or ask independent and qualified people to check the work for you before it is covered and you pay for it.

HOME OWNERSHIP ISSUES

- If your home is damaged and you cannot live there, you still have a mortgage. Check with your mortgage service provider as soon as you can to learn what options you have, including whether you can get a grace period extended.

Mortgage help from FEMA may be available if you face foreclosure proceedings.

- FEMA operates a Disaster Housing Program to help homeowners who have been forced out of their homes by disasters. This includes Disaster Home Repair Assistance, which provides grants to homeowners for minor but necessary disaster-related repairs. Call the FEMA Disaster Helpline at 1-800-621-FEMA.
- You may be eligible for loans from the Small Business Administration (SBA) to make necessary repairs.
- The SBA makes low interest loans of up to \$200,000 to homeowners to repair or replace damaged or destroyed real estate.

If you have a mortgage insured by the FHA (HUD) or VA, you may have additional protections, like a forbearance on the mortgage payments or a period of suspended payments. Call 1-888-297-8685 for further information.

HOME REPAIR SCAMS

Consider any offer that is made on a “now or never” basis to be fraudulent. Ask to sleep on any offer, and get a phone number to call back.

Deciding on a Contractor

- Check to see whether the company is local. Does it have a track record with references in the area? Can you see previous work? Take a look at the company vehicle: Does it have the company name, address, and phone number on it?
- Get at least two bids in writing.
- Look at the contractor’s business license, and keep the number.
- Check with the Tennessee Division of Consumer Affairs, your local Better Business Bureau or friends and neighbors to make sure complaints have not been filed against the company.
- If someone offers you a “special deal” in exchange for your credit card number, forget about it. And if someone promises you a loan in exchange for a fee in advance, say no. Deal with established lenders only.



Consumer Flood Information Sheet

- Pay in installments as the work is completed or in one large payment once the work is done and has been inspected. Before you pay, insist that the contractor give you a sworn statement that all materials have been paid for and all subcontractors have been paid. This protects you from liens that may be placed on your property if all suppliers and subcontractors haven't been paid.

Paying for Repair Work

- Never sign your insurance check over to a contractor. Instead, arrange with your bank for a Certificate of Completion. The bank will pay the contractor for each stage of the job only after you have given your okay.
- The U.S. Federal Emergency Management Agency (FEMA) operates a Disaster Housing Program to help homeowners who have been forced out of their homes by disasters. This includes Disaster Home Repair Assistance, which provides grants to homeowners for minor but necessary disaster-related repairs. Call the FEMA Disaster Helpline at 1-800-621-FEMA.
- The U.S. Small Business Administration makes low interest loans of up to \$200,000 to homeowners to repair or replace damaged or destroyed real estate.
- If you get a loan to pay for the work, be cautious about using your home as security: If you don't repay the loan as agreed, you could lose your home. Consider asking an attorney to review the loan documents.
- If you used a credit card to pay for a product or service in dispute, you may be able to recover your money. Write the credit card company a letter with the details of the matter; you must do this within 60 days after you get the disputed bill.
- If you suspect a repair rip-off, call the Tennessee Division of Consumer Affairs at <http://tn.gov/consumer/> or (615) 741-4737

If you suspect fraud, waste, or abuse involving FEMA disaster assistance programs, report it to FEMA's Inspector General's Office at 1-800-323-8603.

IDENTITY THEFT

Guarding Against Identity Theft in the Aftermath of a Flood

- If you are recovering from the effects of a flood, you will need to share your personal information to get relief benefits from government agencies or other organizations, or replacement identification documents. Be cautious. Identity thieves may be posing as government officials or representatives for government agencies. Ask for identification, and when possible, initiate contact yourself using information posted on official websites or in official information dissemination areas.
- If you find that you inadvertently gave out your personal information to a thief, if your wallet was stolen, or if you are concerned that your information may be accessible to



Consumer Flood Information Sheet

thieves, contact your financial companies about closing your accounts. When you open new accounts, place passwords on them. Avoid using your mother's maiden name, your birth date, the last four digits of your Social Security number or your phone number, or a series of consecutive numbers.

- If you inadvertently gave out your Social Security number to a thief or know that it was stolen, you may want to place a fraud alert on your credit reports. Fraud alerts can help prevent identity thieves from opening new accounts. But **note** that when you place a fraud alert on your credit file, companies take certain steps to verify your identity before they issue you credit. You may experience a delay in getting credit, especially if you have lost some or all of your identification documents. If you decide that placing a fraud alert is appropriate, call the toll-free fraud number of **one** of the following credit bureaus:

Experian: 1-888-397-3742

TransUnion: 1-800-680-7289

Equifax: 1-800-525-6285

If you're concerned that you may be a victim of flood-related identity theft, you can check your credit report. If an identity thief is opening new credit accounts in your name, these accounts are likely to show up on your credit report. You can get your report free from <https://www.annualcreditreport.com/> or 1-877-322-8228. Check your report to make sure it is accurate.

For more information about guarding against identity theft and resolving problems, visit <http://www.ftc.gov/bcp/edu/microsites/idtheft/> or call 1-877-IDTHEFT.

JOB SCAMS

Most disaster-related job scams involve advertising job opportunities, such as floor clean up or other labor, and require a payment in advance. But they don't produce a job. Job listings from 800 and 900 numbers are of special concern. Classified ads telling you to call a 900 phone number for a job referral are an expensive way for someone to read you classified ad listings. Report job scams to the Tennessee Division of Consumer Affairs at <http://tn.gov/consumer/> or (615) 741-4737, or contact the FTC at <http://www.ftc.gov/> or 1-877-FTC-HELP.

LOAN SCAMS

These scams typically require that consumers or businesses pay some type of fee up front, say, to process the loan. The promised loan never materializes. A variation on this scam offers credit cards. But after you send in your money, all you get is a list of banks to contact yourself.



Consumer Flood Information Sheet

PEST CONTROL

Receding flood waters bring out pests. Check out any offers of free inspections. They could result in unnecessary and expensive treatments. Get a second opinion.

RENTAL LISTING SCAMS

After a natural disaster, so many people are in need of someplace to live. In a rental listing scam, someone promises to find you housing, but asks you to pay for the promise in advance. Usually state law requires a prepaid rental listing service to give you a written contract. Read it carefully. Meanwhile, know that con artists may try to charge you a fee for the promise of housing that does not exist.

UTILITY RELATED SCAMS

Door-to-door con artists sometimes portray themselves as utility workers checking out safety issues. They're really casing your place. Ask for identification before you let anyone in, and make sure you can believe it by checking out the company.

WATER TREATMENT OR PURIFICATION DEVICES

Fraudulent firms may try to sell you overpriced or useless water treatment devices by offering to test your water for free. Offers to test the tap water in your home for free are almost always part of a sales promotion. No single device can solve all kinds of water problems. Don't drink any tap water until the local authorities have said it is okay.

If you're on a public water system, your local water-utility office can tell you about water safety problems and what to do. The health department can answer your questions about private wells. And if the seller claims the water treatment device can remove contaminants, don't buy it until you find out if the seller is properly registered and the treatment system is properly certified with the state department of public health.

Please note this information sheet borrows heavily from materials provided by the Federal Trade Commission. We thank them for the information and for the authorization to use it freely.