



INSTRUCTIONS -- NOT PART OF THE AGREEMENT

This template helps you understand what a strong Illinois contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Illinois law imposes specific requirements on home repair and remodeling contracts, and local jurisdictions (including Chicago) may add further obligations. Have this document reviewed by an Illinois-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

How to Use This Template

This template was built by **jaspector.com** to help Illinois homeowners protect themselves when hiring a contractor. It covers the key provisions of Illinois law, including the Home Repair and Remodeling Act, mechanics' lien protections, and cancellation rights.

Before You Start

1. **Verify the contractor's credentials.** Illinois does not have a statewide general contractor license. Check your municipality's building department for local licensing requirements. For regulated trades (plumbing, electrical, roofing), verify IDFPR credentials at idfpr.illinois.gov. See our [Illinois license lookup guide](#) for step-by-step help.
2. **Download and print this document.** Fill in all blank fields -- do not leave any section empty. Illinois law requires a written contract for work over \$1,000.
3. **Review the Legal Notes below.** They highlight Illinois-specific legal protections. Read them carefully -- they explain your rights as a homeowner.
4. **Both parties sign.** You and the contractor each get a signed copy before any work starts.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have an Illinois-licensed attorney review the agreement.

Field-by-Field Guide

- **Section 1 (Parties):** Fill in the legal names exactly as they appear on official documents. Record the contractor's local license/registration number and issuing municipality, plus any IDFPR license number for regulated trades.
- **Section 2 (Scope):** Be as specific as possible. "Kitchen remodel" is not enough -- list materials, dimensions, finishes, and what is excluded.
- **Section 3 (Payment):** Illinois does not cap deposits by statute, but limit your down payment to no more than one-third of the contract price. Tie every payment to a completed milestone, not a calendar date.
- **Section 4 (Timeline):** Get start and completion dates in writing. Fill in the delay penalties -- these protect you if the contractor falls behind.
- **Section 7 (Warranties):** Fill in the warranty period. One year is common; negotiate for more on major work.

- **Section 13 (Exhibits):** Attach all plans, specs, and the contractor's license/registration printout. Check each box for what you are including.

Legal Notes

The following notes summarize Illinois-specific legal protections relevant to this agreement. They are not part of the contract.

- **Contractor Licensing (Section 1):** Illinois does not have a statewide general contractor license. Many municipalities -- including Chicago, Naperville, and Aurora -- require local contractor licensing or registration. Regulated trades (plumbing, electrical, roofing) are licensed through the Illinois Department of Financial and Professional Regulation (IDFPR). Verify credentials at idfpr.illinois.gov for state-regulated trades, and check with your local building department for municipal requirements.
- **Permits (Section 2):** The contractor should pull permits for work requiring them. In Chicago, contractors must hold a City of Chicago General Contractor License to pull permits. If a contractor asks the homeowner to pull the permit, that is a red flag -- it may indicate the contractor lacks required local credentials.
- **Payment Schedule (Section 3):** The Home Repair and Remodeling Act (815 ILCS 513/20) requires that the contract include the total price and a payment schedule. Illinois does not impose a statutory cap on deposit amounts for general home improvement contracts. Best practice: limit the down payment to no more than one-third of the contract price and tie all subsequent payments to completed work milestones.
- **Change Orders (Section 5):** Changes to the contract scope or price should be documented in writing. The Home Repair and Remodeling Act (815 ILCS 513/20) requires a written contract for work over \$1,000 -- any material changes to that contract should also be in writing to be enforceable.
- **Workers' Compensation (Section 8):** Illinois law (820 ILCS 305) requires all employers to carry workers' compensation insurance. If the contractor has any employees, they must maintain active workers' compensation coverage. Request a certificate of insurance and verify coverage is current before work begins.
- **Local Bonding (Section 8):** Some Illinois municipalities require contractors to post a surety bond as a condition of local licensing. For example, Chicago requires a performance bond for certain project types. Check with your local building department for specific bonding requirements.
- **Right to Cancel (Section 9):** If this contract was solicited and signed at the Homeowner's residence (a "home solicitation sale"), the Homeowner has the right to cancel within three (3) business days of signing without penalty, consistent with the federal FTC Cooling-Off Rule (16 CFR 429) and Illinois consumer protection law (815 ILCS 505; 815 ILCS 141). The Contractor must provide a written cancellation notice form at signing. Failure to provide this notice may extend the cancellation period and expose the Contractor to liability under the Illinois Consumer Fraud Act (815 ILCS 505/2). Required notice language: "You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction."
- **Dispute Resolution (Section 10):** Homeowners may file a complaint with the Illinois Attorney General's office regarding contractor fraud, deceptive practices, or violations of the Home Repair and Remodeling Act. File at: illinoisattorneygeneral.gov/consumers. For Chicago projects, complaints may also be filed with the City of Chicago Department of Buildings.
- **Mechanics' Liens (Section 11):** Illinois allows contractors, subcontractors, and material suppliers to place a mechanics' lien on your property if they are not paid (770 ILCS 60). A subcontractor must serve written notice on the homeowner within 60 days of first furnishing labor or materials to preserve lien rights (770 ILCS 60/24). A contractor's lien claim must be filed within 4 months after completion of the work (770 ILCS 60/7).

- **Sworn Statement of Account (Section 11):** Before making a payment, the Homeowner may require the Contractor to provide a sworn statement listing all subcontractors and material suppliers and the amounts due or to become due to each (770 ILCS 60/5). This is a powerful tool under Illinois law to protect against hidden lien claims.
 - **Home Repair and Remodeling Act (815 ILCS 513):** Illinois law requires that home repair and remodeling contracts over \$1,000 be in writing and include: the contractor's name, address, and license/registration number; a description of the work and materials; the total price and payment schedule; approximate start and completion dates; a statement of guarantees or warranties; a notice of the homeowner's right to cancel (if applicable); and the contractor's signature and date.
 - **Chicago-Specific Requirements:** If the project is in Chicago, the contractor must hold a City of Chicago General Contractor License (Municipal Code Title 4, Chapter 4-36). Verify at the City of Chicago Department of Buildings. Chicago requires permits for most structural, electrical, plumbing, and mechanical work. The contractor -- not the homeowner -- should pull all required City of Chicago permits.
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About Jaspector

Jaspector is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a dispute arises during your project, we can help you document the issue and build a resolution strategy.

Learn more at jaspector.com -- or email hi@jaspector.com to get started.

The instructions above are provided by jaspector.com as an educational resource. They are not part of the agreement, do not constitute legal advice, and do not create an attorney-client or endorsement relationship.

ILLINOIS HOMEOWNER-CONTRACTOR AGREEMENT

1. Parties

Homeowner (Property Owner)

Name(s)

Property Address

Mailing Address (if different)

Phone

Email

Contractor

Business Name (Legal Entity)

Local License/Registration #

Issuing Municipality

IDFPR License # (if applicable)

Business Address

Phone

Email

Workers' Comp Policy #

General Liability Policy #

2. Scope of Work

2.1 Project Description

Describe the work in specific, measurable detail. Include materials, methods, dimensions, and reference any plans, drawings, or specifications attached as exhibits.

2.2 Work NOT Included

Explicitly list work excluded from this contract to prevent scope disputes.

2.3 Permits and Inspections

- Contractor is responsible for obtaining all required building permits
- Contractor is responsible for scheduling all required inspections
- Permit costs are: Included in contract price / Billed separately at cost

2.4 Plans and Specifications

- Attached as Exhibit A (architectural / engineering plans)
- Attached as Exhibit B (material specifications)
- No formal plans -- scope defined by Section 2.1 above

3. Contract Price and Payment Schedule

3.1 Total Contract Price

Total Contract Price	\$
Sales Tax (if applicable)	\$
Permit Fees (if separate)	\$
Total Amount Due	\$

3.2 Payment Schedule

PAYMENT	AMOUNT	TRIGGER (WORK MILESTONE)
Down Payment	\$	Upon signing
Progress Payment 1	\$	
Progress Payment 2	\$	
Progress Payment 3	\$	
Progress Payment 4	\$	
Progress Payment 5	\$	
Progress Payment 6	\$	
Progress Payment 7	\$	
Progress Payment 8	\$	
Progress Payment 9	\$	
Progress Payment 10	\$	
Final Payment	\$	Completion and final inspection
Total	\$	

3.3 Payment Terms

- › Payments are due within days of written invoice
- › Acceptable payment methods:
- › No payment shall be due for work not yet performed or materials not yet delivered to the job site
- › Final payment is due only after: (a) all work is complete, (b) final inspection is passed (if applicable), and (c) Homeowner has had reasonable opportunity to inspect

4. Project Timeline

Estimated Start Date

Estimated Completion Date

4.1 Delays

- › Contractor shall notify Homeowner in writing within **48 hours** of any event that may delay the project
- › Excusable delays include: weather, permit delays, material shortages, acts of God, government orders
- › Non-excusable delays exceeding business days entitle Homeowner to a daily credit of \$
- › If the project is not substantially complete within days of the estimated completion date (excluding excusable delays), Homeowner may terminate under Section 9

5. Change Orders

Any changes to the scope, price, or timeline of this contract must be documented in a written Change Order signed by both parties before the changed work begins.

Each Change Order shall include:

1. Description of the changed work
2. Addition to or deduction from the contract price
3. Impact on the project timeline
4. Signature of both Homeowner and Contractor

No verbal agreements will modify this contract.

6. Materials and Workmanship

6.1 Materials

- › All materials shall be new unless otherwise specified in writing
- › Substitutions require prior written approval from Homeowner
- › Contractor warrants that all materials comply with applicable building codes

6.2 Workmanship Standards

- › All work shall be performed in a professional, workmanlike manner
- › All work shall comply with applicable Illinois building codes and local ordinances
- › All work shall conform to the plans, specifications, and scope described in this contract
- › Contractor shall maintain a clean and safe job site

6.3 Subcontractors

- › Contractor use subcontractors (will / will not)
- › If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- › All subcontractors performing work that requires an IDFP license or local license must hold a valid, active credential
- › Homeowner may request license or registration numbers for any subcontractor working on the project

7. Warranties

7.1 Contractor Warranty

Contractor warrants all labor and workmanship for a period of year(s) from the date of completion. During this period, Contractor shall repair or correct, at Contractor's expense, any defects in workmanship or materials furnished by Contractor.

7.2 Manufacturer Warranties

Contractor shall provide Homeowner with all manufacturer warranties for materials and equipment installed. Contractor shall ensure installations comply with manufacturer specifications to preserve warranty coverage.

7.3 Warranty Exclusions

- › Normal wear and tear
- › Damage caused by Homeowner negligence or misuse
- › Damage caused by third parties or acts of God
- › Items specifically excluded in writing

8. Insurance and Bonding

8.1 Contractor Insurance Requirements

COVERAGE	MINIMUM AMOUNT
General Liability	\$
Workers' Compensation	Statutory limits (required if Contractor has employees)
Automobile Liability (if applicable)	\$

- › Contractor shall provide certificates of insurance upon request
- › Homeowner shall be named as additional insured on the general liability policy

9. Termination

9.1 Homeowner's Right to Terminate

- › Homeowner may terminate this contract at any time by providing written notice
- › Homeowner shall pay for all work satisfactorily completed and materials delivered as of the termination date
- › Contractor shall provide an itemized accounting within **10 business days** of termination
- › Contractor shall not charge a cancellation penalty exceeding actual costs reasonably incurred

9.2 Contractor's Right to Terminate

- › Homeowner fails to make a payment within days of written notice of default
- › Conditions at the job site make the work unsafe or illegal to continue

9.3 Right to Cancel

If this contract was solicited and signed at the Homeowner's residence, the Homeowner has the right to cancel within three (3) business days of signing without penalty. The Contractor must provide a written cancellation notice form at signing.

10. Dispute Resolution

10.1 Informal Resolution

The parties agree to attempt informal resolution by written notice. The other party shall respond in writing within **15 business days**.

10.2 Mediation

If informal resolution fails, the parties agree to submit the dispute to non-binding mediation before a mutually agreed mediator. Mediation costs shall be shared equally.

10.3 Legal Action

If mediation fails, either party may pursue legal action in the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs. Illinois small claims court handles cases up to \$10,000.

11. Mechanics' Lien Notice

11.1 Protecting Against Mechanics' Liens

- › Request **lien waivers** from the contractor and all subcontractors with each progress payment
- › Request a **final lien waiver** from all parties upon final payment
- › Consider requiring Contractor to provide a list of all subcontractors and material suppliers at the start of the project

11.2 Sworn Statement of Account

Before making a payment, the Homeowner may require the Contractor to provide a sworn statement listing all subcontractors and material suppliers and the amounts due or to become due to each.

12. General Provisions

- › **Entire Agreement:** This contract, including all exhibits and change orders, constitutes the entire agreement. No prior verbal or written representations shall be binding unless incorporated herein.
- › **Severability:** If any provision is found unenforceable, the remaining provisions continue in full force.
- › **Governing Law:** This contract shall be governed by the laws of the State of Illinois.
- › **Notice:** All notices shall be in writing and delivered to the addresses in Section 1, by personal delivery, certified mail, or email with confirmed receipt.
- › **Assignment:** Neither party may assign this contract without prior written consent of the other party.

13. Exhibits and Attachments

- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Right to Cancel (if applicable)
- Exhibit D: Contractor's License/Registration Printout
- Exhibit E: Certificates of Insurance
- Exhibit F: Sworn Statement of Account (template)
- Additional:

Signatures

By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

HOMEOWNER

Signature

Printed Name

Date

HOMEOWNER (IF JOINTLY OWNED)

Signature

Printed Name

Date

CONTRACTOR

Signature

Printed Name

Title

License/Registration #

Date

Illinois Pre-Signing Checklist

Before signing, confirm each item:

- Verified contractor's local license or registration with your municipality's building department
- Verified IDFPR credentials for regulated trades (plumbing, electrical, roofing) at idfpr.illinois.gov
- Workers' compensation insurance confirmed (required if contractor has employees)
- General liability insurance confirmed
- Checked local bonding requirements with your municipal building department
- Contract is in writing (required for work over \$1,000 under 815 ILCS 513)
- Right to cancel notice provided (if contract was signed at your home)
- All blank fields in this contract are filled in -- no blank spaces
- Received a signed copy of the complete contract before work starts
- Payment schedule tied to work milestones, not calendar dates
- Plans, specs, and material lists are attached or described in detail
- For Chicago projects: verified City of Chicago General Contractor License

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It is not legal advice. Consult an Illinois-licensed attorney before executing any construction contract.

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