



INSTRUCTIONS — NOT PART OF THE AGREEMENT

Before You Begin: This template helps you understand what a strong New Jersey contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. New Jersey law imposes specific mandatory requirements on home improvement contracts under N.J.A.C. 13:45A-16, and local jurisdictions may add further obligations. Have this document reviewed by a New Jersey-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

1. **Verify the contractor's HIC registration.** All contractors performing home improvement work in New Jersey must be registered with the NJ Division of Consumer Affairs as a Home Improvement Contractor (HIC). Verify registration status at njconsumeraffairs.gov/hic/. Confirm the registration is active before signing anything or paying any money.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. New Jersey law requires a completely filled-in contract before work begins, and courts have difficulty enforcing agreements with blank spaces.
3. **Review each New Jersey note.** The notes in this template explain state-specific legal protections, including the deposit cap, three-day right to cancel, and mechanics' lien rules. Read them carefully — they explain your rights as a homeowner.
4. **Both parties sign.** You and the contractor each receive a signed copy before any work starts or any money changes hands.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have a New Jersey-licensed attorney review the agreement before signing.

Field-by-Field Guide

- › **Section 1 (Parties):** Enter the contractor's full legal entity name as registered with the Division of Consumer Affairs. The NJ HIC registration number is mandatory by law — do not sign a contract without it. Verify that the registration number matches the business name on the Division's website.
- › **Section 2 (Scope):** Be specific. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is explicitly excluded. Vague scope language is the leading cause of contractor disputes in New Jersey.
- › **Section 3 (Payment):** New Jersey caps your down payment at one-third (1/3) of the total contract price under N.J.A.C. 13:45A-16.2. Never pay more than one-third upfront. Tie every subsequent payment to a completed work milestone — not a calendar date.

- › **Section 4 (Timeline):** Get estimated start and completion dates in writing. Fill in the delay credit provisions — these create accountability if the contractor falls behind without a valid excuse.
- › **Section 7 (Warranties):** Fill in the warranty period before signing. One year is a common baseline; negotiate longer coverage on major structural or mechanical work.
- › **Section 9.3 (Cancellation):** If this contract was signed at your home or anywhere other than the contractor's regular place of business, you have three business days to cancel without penalty. The contractor must provide a completed Notice of Cancellation form at the time of signing — if they do not, the cancellation period extends indefinitely.
- › **Section 11 (Mechanics' Liens):** New Jersey's Construction Lien Law (N.J.S.A. 2A:44A-1 et seq.) allows unpaid contractors, subcontractors, and suppliers to file a lien within 90 days of last work. Request lien waivers with every payment and a final unconditional lien waiver upon project completion.
- › **Section 14 (Exhibits):** Attach plans, specs, the contractor's HIC registration printout, and insurance certificates. Check each box to confirm what is included.

New Jersey Legal Notes

Section 1 — HIC Registration Requirement

New Jersey's Home Improvement Contractor Registration Act (N.J.S.A. 56:8-136 et seq.) requires all contractors performing home improvement work to register with the NJ Division of Consumer Affairs. "Home improvement" includes renovation, remodeling, alteration, repair, modernization, or addition to residential property. The registration requirement applies to contracts of \$500 or more. Hiring an unregistered contractor violates the Consumer Fraud Act and may leave you without consumer protections. Verify registration at njconsumeraffairs.gov/hic/ before signing.

Section 3 — One-Third Deposit Cap

N.J.A.C. 13:45A-16.2 prohibits contractors from demanding or accepting a deposit exceeding one-third (1/3) of the total contract price before work begins. Demanding or accepting an excessive deposit is a violation of the Consumer Fraud Act, which can entitle you to treble (triple) damages plus attorney's fees. Never pay more than one-third upfront, and never pay the full amount before completion.

Section 9.3 — Three-Day Cancellation Right

Under New Jersey's Home Improvement Practices regulations (N.J.A.C. 13:45A-16.2) and the federal FTC Cooling-Off Rule, homeowners have three business days to cancel a home improvement contract signed at their residence or at any location other than the contractor's permanent business address. The contractor is required by law to give you a completed Notice of Cancellation form at the time of signing. To cancel, sign the form and mail or deliver it to the contractor before midnight of the third business day after signing. If the contractor fails to give you the cancellation form, the three-day window does not start, and you may retain the right to cancel for an extended period.

Section 10 — Consumer Fraud Act Protections

New Jersey's Consumer Fraud Act (N.J.S.A. 56:8-1 et seq.) provides some of the strongest consumer protections in the nation for homeowners dealing with contractors. Any deceptive, unconscionable, or fraudulent act in connection with a home improvement contract can give rise to a CFA claim. Unlike most states, New Jersey's CFA provides for treble (triple) damages and mandatory attorney's fee awards to prevailing consumers — meaning the contractor must pay your legal fees if you win. If a contractor uses high-pressure tactics, misrepresents the scope or price, or abandons the project, consider filing a complaint with the Division of Consumer Affairs and consulting a consumer protection attorney.

Section 11 — Construction Lien Law (N.J.S.A. 2A:44A-1 et seq.)

New Jersey's Construction Lien Law gives contractors, subcontractors, and material suppliers the right to file a lien against your property if they are not paid. Unlike some states, New Jersey requires the lien claimant to first serve a **Notice of Unpaid Balance and Right to File Lien** on the property owner before filing. A lien claim must then be filed with the Superior Court, Law Division within **90 days** of the last date labor or materials were furnished. Protect yourself by requiring lien waivers with every payment. On residential projects, a properly executed lien waiver from the contractor and all known subcontractors and suppliers is your best protection against lien claims after payment.

Section 12 — Mandatory Contract Provisions

N.J.A.C. 13:45A-16.2 establishes specific mandatory content for home improvement contracts of \$500 or more. A contract that omits required content — such as the HIC registration number, the deposit cap notice, or the start and completion dates — may itself constitute a Consumer Fraud Act violation by the contractor. Keep a copy of the signed contract in a safe place throughout the project and for at least three years after completion.

About Jaspector

jaspector.com is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a problem arises during your project — a contractor goes silent, work falls short, or a payment dispute escalates — jaspector.com 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 relationship or any endorsement relationship between jaspector.com and any contractor or homeowner.

NEW JERSEY HOMEOWNER-CONTRACTOR AGREEMENT

Governing law: N.J.S.A. 56:8-1 et seq. (CFA) — N.J.S.A. 56:8-136 et seq. (HIC Registration) — N.J.A.C. 13:45A-16 (HIP Regulations) — N.J.S.A. 2A:44A-1 et seq. (Construction Lien Law)

1. Parties

Homeowner (Property Owner)

Name(s) _____

Property Address _____

Mailing Address (if different) _____

Phone _____

Email _____

Contractor

Business Name (Legal Entity) _____

NJ HIC Registration # _____

Business Address _____

Phone _____

Email _____

Workers' Compensation 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 that is 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

Item	Amount
Total Contract Price	\$ _____
Sales Tax (if applicable)	\$ _____
Permit Fees (if billed separately)	\$ _____
Total Amount Due	\$ _____

3.2 Payment Schedule

New Jersey law (N.J.A.C. 13:45A-16.2) limits the down payment to no more than one-third (1/3) of the total contract price. Subsequent payments must be tied to completed work milestones.

Payment	Amount	Trigger (Work Milestone)
Down Payment	\$ _____	Upon signing (max 1/3 of contract price)
Progress Payment 1	\$ _____	_____
Progress Payment 2	\$ _____	_____
Progress Payment 3	\$ _____	_____
Final Payment	\$ _____	Completion and final inspection

Payment	Amount	Trigger (Work Milestone)
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

Milestone	Date
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 \$_____ (liquidated damages), not to exceed _____% of the total contract price
- If the project is not substantially complete within _____ days of the estimated completion date (excluding excusable delays), Homeowner may terminate this contract 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
- Specific materials, brands, and grades are listed in: Section 2.1 / Exhibit B
- 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 New Jersey 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 will / will not use subcontractors
- If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- All subcontractors performing home improvement work must hold a valid NJ HIC registration or applicable state trade license
- Homeowner may request HIC 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

This warranty does not cover:

- 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

Contractor shall maintain, at minimum, the following coverage for the duration of the project:

Coverage	Minimum Amount
General Liability	\$500,000 (required for NJ HIC registration)
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

8.2 HIC Registration Insurance Requirement

New Jersey Home Improvement Contractor registration requires proof of at least \$500,000 in general liability insurance. Verify that the contractor's insurance certificate is current and that coverage extends through the projected completion of this project. Request a copy of the certificate before work begins.

9. Termination

9.1 Homeowner's Right to Terminate

Homeowner may terminate this contract at any time by providing written notice to Contractor. Upon termination:

- Homeowner shall pay for all work satisfactorily completed and materials delivered to the job site as of the termination date
- Contractor shall provide an itemized accounting of all work completed and materials delivered within **10 business days** of termination
- Contractor shall not charge a cancellation penalty exceeding the actual costs reasonably incurred

9.2 Contractor's Right to Terminate

Contractor may terminate this contract if:

- Homeowner fails to make a payment due under this contract within _____ days of written notice of default
- Conditions at the job site make the work unsafe or illegal to continue

9.3 Three-Day Right to Cancel (N.J.A.C. 13:45A-16.2; N.J.S.A. 56:8-136 et seq.)

If this contract was solicited and signed at the Homeowner's residence or at any location other than the Contractor's regular place of business, the Homeowner has the right to cancel this contract without penalty or obligation until midnight of the **third business day** after the date of signing. To cancel, the Homeowner must sign and deliver the Notice of Cancellation form (Exhibit C) to the Contractor's address stated in this contract. Cancellation may be delivered in person, by mail, or by any means that provides written evidence of the date of delivery. Upon valid cancellation, the Contractor must return all payments within **10 business days** and must not retain any deposit.

The Contractor is required by law to provide a completed Notice of Cancellation form at the time of signing. Failure to provide this notice extends the Homeowner's right to cancel until the notice is properly given and accepted.

10. Dispute Resolution

10.1 Informal Resolution

The parties agree to attempt informal resolution of any dispute by written notice describing the issue. 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 NJ Division of Consumer Affairs Complaint

Homeowners may file a complaint with the NJ Division of Consumer Affairs at any time under the Consumer Fraud Act (N.J.S.A. 56:8-1 et seq.) and the Home Improvement Contractor Registration Act (N.J.S.A. 56:8-136 et seq.). Filing a complaint does not prevent the homeowner from pursuing legal remedies. File at:

njconsumeraffairs.gov

10.4 Legal Action

If mediation fails, either party may pursue legal action in the Superior Court of New Jersey in the county where the property is located. Under the New Jersey Consumer Fraud Act (N.J.S.A. 56:8-19), a prevailing consumer is entitled to treble (triple) damages plus reasonable attorney's fees and costs. New Jersey's Special Civil Part handles claims up to \$20,000.

11. Mechanics' Lien Notice

New Jersey law (N.J.S.A. 2A:44A-1 et seq.) allows contractors, subcontractors, and material suppliers to file a construction lien against your property if they are not paid for work or materials furnished. A lien claim must be filed with the Superior Court, Law Division within **90 days** of the last date labor or materials were furnished. A lien can affect your ability to sell or refinance your property.

11.1 Protecting Against Mechanics' Liens

- Request **lien waivers** from the Contractor and all known subcontractors and suppliers with each progress payment
- Request a **final unconditional lien waiver** from the Contractor and all subcontractors and suppliers upon final payment
- Require Contractor to provide a list of all subcontractors and material suppliers at the start of the project
- Request proof that progress payments are being forwarded to subcontractors and suppliers

11.2 Notice of Unpaid Balance (N.J.S.A. 2A:44A-21)

Before filing a construction lien in New Jersey, a claimant who does not have a direct contract with the property owner must serve a written **Notice of Unpaid Balance and Right to File Lien** on the property owner. If you receive such a notice, do not ignore it — it means that party is preserving their right to file a lien if they are not paid. Keep all such notices on file and confirm with the Contractor that those parties are being paid.

12. Additional New Jersey Requirements

12.1 Mandatory Contract Requirements Under N.J.A.C. 13:45A-16.2

New Jersey law requires that home improvement contracts of \$500 or more include the following. Confirm each item is present before signing:

- Contractor's name, business address, phone number, and NJ HIC registration number
- A description of the work to be performed and materials to be used
- Total contract price and payment schedule (down payment not to exceed 1/3 of total price)
- Approximate start and estimated completion dates
- Notice of three-day right to cancel (where applicable)
- Signatures of both Homeowner and Contractor with dates
- No blank sections left unfilled at the time of signing

12.2 Notice to Homeowner (N.J.A.C. 13:45A-16.2)

"You are entitled to a completely filled-in copy of this agreement, signed by both you and the contractor, before any work may be started." — Required notice under New Jersey Home Improvement Practices regulations.

12.3 HIC Registration Statement

Contractor represents and warrants that, as of the date of this contract, Contractor holds a current and active Home Improvement Contractor registration issued by the New Jersey Division of Consumer Affairs (N.J.S.A. 56:8-136 et seq.) and maintains all insurance required by that registration. Contractor agrees to maintain the HIC registration in good standing throughout the duration of this project. Questions concerning HIC registration may be directed to: New Jersey Division of Consumer Affairs, P.O. Box 45028, Newark, NJ 07101, (973) 504-6370.

12.4 Consumer Fraud Act Notice

Under the New Jersey Consumer Fraud Act (N.J.S.A. 56:8-1 et seq.), it is unlawful for any contractor to use any unconscionable commercial practice, deception, fraud, false pretense, false promise, or misrepresentation in connection with the sale or performance of home improvement services. Violations may subject the contractor to civil liability including treble damages and mandatory attorney's fees.

13. General Provisions

13.1 Entire Agreement

This contract, including all exhibits and change orders, constitutes the entire agreement between the parties. No prior verbal or written representations shall be binding unless incorporated herein.

13.2 Severability

If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.

13.3 Governing Law

This contract shall be governed by the laws of the State of New Jersey.

13.4 Notice

All notices under this contract shall be in writing and delivered to the addresses listed in Section 1, by personal delivery, certified mail, or email with confirmed receipt.

13.5 Assignment

Neither party may assign this contract without the prior written consent of the other party.

14. Exhibits and Attachments

- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Three-Day Right to Cancel
- Exhibit D: Contractor's NJ HIC Registration Printout
- Exhibit E: Certificates of Insurance
- 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 _____

NJ HIC Registration # _____

Date _____

New Jersey Homeowner Pre-Signing Checklist

- Verified contractor's NJ HIC registration is active at njconsumeraffairs.gov/hic/
- HIC registration number recorded and matches business name on Division website
- General liability insurance certificate obtained (\$500,000 minimum) and on file
- Workers' compensation insurance confirmed (if contractor has employees)
- Down payment does not exceed one-third (1/3) of total contract price
- Notice of three-day right to cancel provided (if contract signed at home or away from contractor's place of business)
- All blank fields in this contract are filled in — no blank spaces
- Both parties have signed the contract before any work starts or money changes hands
- Received a fully signed copy of the complete contract
- Estimated start and completion dates are in the contract
- Payment schedule tied to work milestones, not calendar dates
- Plans, specs, and material lists are attached or described in Section 2.1
- List of subcontractors and suppliers requested from Contractor