



INSTRUCTIONS — NOT PART OF THE AGREEMENT

Before You Begin: This template helps you understand what a strong New Mexico contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. New Mexico contractor licensing is administered statewide by the Construction Industries Division (CID), and the license classification must match your project scope. Have this document reviewed by a New Mexico-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 CID license.** Search the New Mexico Regulation and Licensing Department at rld.nm.gov by business name, license number, or qualifier name. Confirm the license is active, the classification matches your project, and the bond and workers' compensation status are current.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. Courts have difficulty enforcing contracts with significant blank spaces.
3. **Review each New Mexico note.** The notes in this template explain state-specific legal considerations, including CID classification requirements, lien rules, and the Home Solicitation Sales Act cancellation right. Read them carefully.
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 Mexico-licensed attorney review the agreement before signing.

Field-by-Field Guide

- › **Section 1 (Parties):** Use the contractor's full legal entity name exactly as it appears in the CID license record. Record the CID license number and all applicable classifications. Ask for the qualifier's name — this is the individual legally responsible for the company's work under New Mexico law.
- › **Section 2 (Scope):** Be specific. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is explicitly excluded. Vague scope is the leading cause of contractor disputes.
- › **Section 3 (Payment):** New Mexico has no statutory deposit cap. Best practice is to limit the down payment to no more than **one-third (1/3)** of the total contract price. Tie every 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 the contractor approached you at your home or visited to discuss the project, New Mexico's Home Solicitation Sales Act (NMSA § 57-11-1) gives you three business days to cancel without penalty. The contractor must provide a written cancellation notice form at the time of signing.
- › **Section 11 (Mechanics' Liens):** New Mexico's lien deadline is 120 days from last work or materials furnished. Unlike California, there is no required preliminary notice from subcontractors, so collect lien waivers with every payment to protect yourself.
- › **Section 14 (Exhibits):** Attach plans, specs, and the contractor's CID license printout. Check each box to confirm what is included.

New Mexico Legal Notes

Section 1 — CID License Classification Matters

New Mexico licenses contractors at the state level through CID, and the classification on the license is specific. A general building license does not automatically authorize all specialty trade work. If your project includes electrical, plumbing, or HVAC, confirm whether those scopes fall under the contractor's own classification or will be performed by licensed subcontractors. Ask the contractor to identify the qualifier by name — this is the individual who holds the license and is legally responsible for the company's compliance.

Section 3 — No Statutory Deposit Cap

Unlike California, New Mexico imposes no statutory limit on contractor down payments for residential work. The one-third guideline in this template is a best-practice recommendation, not a legal requirement. Paying a large deposit upfront with no milestone accountability is a known risk factor in contractor fraud cases.

Section 9.3 — Home Solicitation Sales Act (NMSA § 57-11-1)

New Mexico's Home Solicitation Sales Act applies to sales of goods or services over \$25 that are solicited and agreed to at the buyer's primary residence. If a contractor visits your home to pitch or sign the contract, you have the right to cancel within three business days of signing by providing written notice to the contractor. The contractor is required to give you a written cancellation form at signing. If they do not, the cancellation right continues until the form is properly delivered. To cancel, sign and deliver the cancellation notice to the contractor's address before midnight of the third business day after signing.

Section 11 — Mechanics' Lien (NMSA Chapter 48)

New Mexico's mechanics' lien statute (NMSA § 48-2-1 et seq.) gives contractors, subcontractors, and material suppliers the right to file a lien against your property if they are not paid. The claim of lien must be filed with the county clerk within **120 days** of the last date work was performed or materials were furnished. A filed lien must be foreclosed within two years or it expires. New Mexico does not require subcontractors or suppliers to send you a preliminary notice before filing — making it especially important to collect lien waivers with every payment.

Section 12 — Unfair Practices Act (NMSA § 57-12-1)

New Mexico's Unfair Practices Act broadly prohibits deceptive, unfair, and unconscionable trade practices in connection with the sale of any goods or services, including home improvement. Violations can result in actual damages plus up to three times actual damages as a penalty. Keep copies of all contractor advertising, estimates, and verbal representations made before signing, as those may form the basis of a claim if the contractor fails to deliver what was promised.

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 MEXICO HOMEOWNER-CONTRACTOR AGREEMENT

Governing law: NMSA 1978 § 60-13-1 et seq. (Construction Industries Licensing Act); § 48-2-1 et seq. (Mechanics' Lien); § 57-11-1 et seq. (Home Solicitation Sales Act)

1. Parties

Homeowner (Property Owner)

Name(s) _____

Property Address _____

Mailing Address (if different) _____

Phone _____

Email _____

Contractor

Business Name (Legal Entity) _____

CID License Number _____

CID License Classification(s) _____

Qualifying Individual Name _____

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

Payment	Amount	Trigger (Work Milestone)
Down Payment	\$ _____	Upon signing (recommended max: 1/3 of total)
Progress Payment 1	\$ _____	_____
Progress Payment 2	\$ _____	_____
Progress Payment 3	\$ _____	_____

Payment	Amount	Trigger (Work Milestone)
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

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 Mexico 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 work that requires a CID license must hold a valid, active New Mexico CID license with a classification covering their scope of work
- Homeowner may request CID license 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	\$ _____
Workers' Compensation	Statutory limits (confirm current CID requirements)
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 CID Bond

CID-licensed contractors are required to maintain a surety bond. Bond amount varies by license classification and annual gross volume of work. Verify current bond status as part of the CID license record at rld.nm.gov.

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 (Home Solicitation Sales Act, NMSA § 57-11-1)

If this contract was solicited and agreed to at the Homeowner's residence and the contract price exceeds \$25, the Homeowner has the right to cancel this contract by midnight of the **third business day** after the date of signing, without penalty or obligation. To cancel, the Homeowner must give written notice to the Contractor at the address stated in this contract. The Contractor must provide a written Notice of Cancellation form at the time of signing. If the Contractor fails to provide this form, the cancellation right continues until three business days after the form is eventually delivered. Upon valid cancellation, the Contractor must return all payments within **10 business days** and retrieve any materials from the property.

If the contract was not solicited at the Homeowner's residence (e.g., signed at the Contractor's office), this right may not apply. Consult a New Mexico-licensed attorney if uncertain.

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 CID Complaint / Attorney General Complaint

Homeowners may file a complaint with the New Mexico CID at any time regarding licensed or unlicensed contractor activity. Additionally, homeowners may file a complaint with the New Mexico Attorney General's Consumer Protection Division under the Unfair Practices Act (NMSA § 57-12-1 et seq.). Filing a complaint does not prevent pursuing legal remedies. CID complaints: rld.nm.gov. AG complaints: nmag.gov.

10.4 Legal Action

If mediation fails, either party may pursue legal action in the district court of the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs where authorized by law. New Mexico Magistrate Court (small claims) handles claims up to \$10,000.

11. Mechanics' Lien Notice

New Mexico law (NMSA § 48-2-1 et seq.) allows contractors, subcontractors, and material suppliers to place a mechanics' lien on your property if they are not paid for work or materials furnished. A claim of lien must be filed with the county clerk within **120 days** after the last date work was performed or materials were furnished. A filed lien must be foreclosed within **two (2) years** or it expires. 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 with each progress payment

- Request a **final unconditional lien waiver** from the Contractor and all known 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 No Preliminary Notice Requirement

Unlike California, New Mexico does not require subcontractors or material suppliers to serve a preliminary notice on the homeowner before they can file a lien. This means lien rights may attach without any advance warning. The most effective protection is to collect executed lien waivers from all known subcontractors and suppliers with every payment. Check the county clerk's records periodically during the project for any liens filed against your property.

12. Additional New Mexico Requirements

12.1 CID Licensing Compliance Checklist

New Mexico's Construction Industries Licensing Act (NMSA § 60-13-1 et seq.) requires contractors to hold a valid CID license for any construction work valued at \$500 or more. Confirm this contract reflects:

- Contractor's CID license number, classification(s), and qualifier name
- License classification covers all scopes of work described in Section 2
- License is currently active (verify at rld.nm.gov)
- Bond status is current (part of CID license record)
- Workers' compensation insurance is in force
- All required permits will be obtained before work begins
- No blank sections left unfilled at the time of signing

12.2 CID License Statement

Contractors performing construction work in New Mexico valued at \$500 or more are required by law to be licensed by the New Mexico Regulation and Licensing Department, Construction Industries Division (CID). Any questions regarding a contractor's license may be directed to the CID at: 2550 Cerrillos Road, Santa Fe, NM 87505.

12.3 Workers' Compensation Statement

New Mexico's Workers' Compensation Act (NMSA § 52-1-1 et seq.) requires construction employers to carry workers' compensation insurance. Contractor represents that all applicable workers' compensation coverage is in force and will remain in force throughout the duration of this project.

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 Mexico.

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 Cancellation Form (if Home Solicitation Sales Act applies)
- Exhibit D: Contractor's CID License 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 _____

CID License # _____

Date _____

New Mexico Homeowner Pre-Signing Checklist

- Verified contractor's CID license is active at rld.nm.gov
- CID license classification(s) cover the full scope of work in this contract
- Qualifier name confirmed and individual is actively involved with the company
- Workers' compensation insurance confirmed and in force
- Bond status confirmed via CID license record
- General liability insurance certificate obtained and on file
- Down payment limited to no more than one-third (1/3) of total contract price (best practice)
- Cancellation notice form provided by Contractor if contract was solicited at your home (NMSA § 57-11-1)
- 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
- 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