



INSTRUCTIONS — NOT PART OF THE AGREEMENT

Before You Begin: This template helps you understand what a strong Tennessee contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Tennessee requires contractors to be licensed by the Board for Licensing Contractors for projects valued at \$25,000 or more (including materials), and a Home Improvement License is required for residential work valued between \$3,000 and \$24,999. Have this document reviewed by a Tennessee-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 Tennessee license.** For projects at or above \$25,000 (including materials), the contractor must hold a valid license from the Tennessee Board for Licensing Contractors. For residential projects between \$3,000 and \$24,999, a Home Improvement License is required. Verify license status at tn.gov/commerce/licensing through the Tennessee Department of Commerce and Insurance (TDCI).
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. Tennessee law (TCA § 62-6-516) requires home improvement contracts to be in writing with all required information included.
3. **Review each Tennessee note.** The notes in this template explain state-specific legal protections, including cancellation rights, lien filing deadlines, and licensing thresholds. Read them carefully before signing.
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 Tennessee-licensed attorney review the agreement before signing.

Field-by-Field Guide

- › **Section 1 (Parties):** Include the contractor's full legal entity name as it appears on the TDCI license. For projects \$25,000+, the Tennessee contractor license number is required. For projects \$3,000–\$24,999, include the Home Improvement License number. Ask for the license classification to confirm it covers your project type.
- › **Section 2 (Scope):** Be as specific as possible. "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):** Tennessee has no statutory deposit cap for home improvement contracts. Industry 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 protect you if the contractor falls behind without a valid reason.
- › **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 solicited or negotiated this agreement at your home (or any location other than their regular place of business), Tennessee’s Home Solicitation Sales Act (TCA § 47-18-701 et seq.) gives you three business days to cancel without penalty. The contractor must provide a written Notice of Cancellation form at signing.
- › **Section 11 (Mechanics’ Liens):** Tennessee’s lien deadline is 90 days after the last day of the month in which the contractor last furnished labor or materials. Collect lien waivers with every payment and at project completion to protect against lien claims from subcontractors and suppliers.
- › **Section 14 (Exhibits):** Attach plans, specs, and the contractor’s Tennessee license printout. Check each box to confirm what is included with your signed contract.

Tennessee Legal Notes

Section 1 — Tennessee Contractor Licensing Thresholds

Tennessee uses a tiered licensing system. Any contractor performing work on a residential project valued at \$25,000 or more (including materials) must hold a license from the Tennessee Board for Licensing Contractors (TCA § 62-6-102). Contractors performing residential home improvement work valued between \$3,000 and \$24,999 must hold a Home Improvement License issued by the same Board under TCA § 62-6-501 et seq. For projects under \$3,000, no contractor license is required by state law, though local ordinances may differ. Always verify license status and classification through the TDCI before signing any contract or making any payment.

Section 3 — No Statutory Deposit Cap

Unlike California, Tennessee does not impose a 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. The Tennessee Board for Licensing Contractors receives complaints about contractors who collect large deposits and fail to perform or abandon projects.

Section 9.3 — Home Solicitation Sales Act (Three-Day Cancellation Right)

Tennessee’s Home Solicitation Sales Act (TCA § 47-18-701 et seq.) gives homeowners a three-business-day right to cancel any contract for goods or services valued at more than \$25 that was solicited or negotiated at the homeowner’s residence or at any place other than the seller’s regular place of business. If a contractor visits your home to discuss and sign the contract, this right applies. The contractor is required to give you a written Notice of Cancellation form when you sign. To exercise the right, sign the cancellation form and mail or deliver it to the contractor before midnight of the third business day after signing. The contractor must refund all payments within 10 business days of a valid cancellation.

Section 11 — Mechanics' and Materialmen's Lien (TCA § 66-11-101 et seq.)

Tennessee's lien statute gives contractors, subcontractors, materialmen, and laborers the right to file a lien against your property if they are not paid. Under TCA § 66-11-112, a prime contractor must file a lien in the county register of deeds within 90 days after the last day of the month in which they last furnished labor or materials. Subcontractors and materialmen must serve a notice of nonpayment and file within the same 90-day window. An action to enforce the lien must be filed within 90 days after the lien is recorded. A filed lien can cloud your title and prevent a sale or refinancing. Collecting lien waivers from the prime contractor and all known subcontractors at each payment milestone is your primary protection.

Section 12 — Home Improvement Services Act Written Contract Requirement

Tennessee law (TCA § 62-6-516) requires that home improvement contracts be in writing. The written contract must include the contractor's name, address, and license number; a description of the work and materials; the contract price; payment schedule; and estimated start and completion dates. A contractor who proceeds on a covered project without a written contract may be subject to disciplinary action by the Board for Licensing Contractors. Do not allow work to begin on any project above the applicable licensing threshold without a fully executed written contract.

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.

TENNESSEE HOMEOWNER-CONTRACTOR AGREEMENT

Governing law: TCA Title 62, Chapter 6 (Board for Licensing Contractors) — TCA § 66-11-101 et seq. (Mechanics' Lien) —
TCA § 47-18-701 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) _____

TN Contractor License Number _____

License Classification(s) _____

Qualifying Agent 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
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 Tennessee 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 at or above the applicable Tennessee licensing threshold must hold a valid Tennessee contractor or trade license
- Homeowner may request 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 (required for construction employers with 1+ 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 Tennessee Contractor Bond

Tennessee licensed contractors are required to maintain a surety bond or cash deposit as a condition of licensure under TCA § 62-6-103. The required bond amount varies by license type and classification. Verify the contractor's bonding and insurance status when confirming the license at tn.gov/commerce/licensing.

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, TCA § 47-18-701)

If this contract was solicited or negotiated at the Homeowner's residence (or at any location other than the Contractor's regular place of business) 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. The Contractor must provide a written Notice of Cancellation form at the time of signing. To cancel, the Homeowner must sign and date the Notice of Cancellation and mail or deliver it to the Contractor's address shown in this contract before midnight on the third business day. Upon valid cancellation, the Contractor must return all payments within **10 business days** and retrieve any materials left at 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 Tennessee-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 Tennessee Board for Licensing Contractors Complaint

Homeowners may file a complaint with the Tennessee Board for Licensing Contractors (administered by the TDCI) at any time. The Board investigates complaints involving licensed and unlicensed contractor activity, including failure to perform, substandard work, and licensing violations. Filing a Board complaint does not prevent the homeowner from pursuing legal remedies. Contact the Board through:

tn.gov/commerce/licensing

10.4 Legal Action

If mediation fails, either party may pursue legal action in the court for the county where the property is located. The prevailing party may be entitled to recover reasonable attorney's fees and costs where authorized by law. Tennessee General Sessions Court handles civil claims up to \$25,000.

11. Mechanics' Lien Notice

Tennessee law (TCA § 66-11-101 et seq.) allows contractors, subcontractors, materialmen, and laborers to assert a lien against your property if they are not paid for work or materials furnished. A prime contractor must file a lien in the county register of deeds within **90 days** after the last day of the month in which they last furnished labor or materials. 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 materialmen 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 Lien Filing Deadlines (TCA § 66-11-112 and § 66-11-115)

Under Tennessee law, a prime contractor must file a lien in the register of deeds of the county where the property is located within 90 days after the last day of the month in which the contractor last furnished labor or materials. Subcontractors and materialmen must serve a notice of nonpayment and file a lien within the same 90-day period after their last labor or materials. An action to enforce the lien must be brought within 90 days after the lien is filed. If you receive any notice or correspondence related to a mechanics' lien on your property, consult a Tennessee-licensed attorney promptly.

12. Additional Tennessee Requirements

12.1 Required Contract Contents (TCA § 62-6-516) Compliance Checklist

Tennessee's Home Improvement Services Act requires written contracts for covered home improvement projects. Confirm this contract includes:

- Contractor's name, business address, and Tennessee license number
- A description of the work to be performed and materials to be used
- Total contract price and payment schedule
- Estimated start and completion dates
- A statement that the contractor is licensed by the Tennessee Board for Licensing Contractors (for projects \$25,000+)
- Notice of the homeowner's right to cancel (if Home Solicitation Sales Act applies)
- No blank sections left unfilled at the time of signing

12.2 Tennessee Board for Licensing Contractors Statement

Contractor represents and warrants that, as of the date of this contract, Contractor holds a valid license issued by the Tennessee Board for Licensing Contractors (TDCI) covering the work to be performed (for projects at or above the applicable licensing threshold), and that such license will remain in good standing throughout the duration of this project. Contractor further represents that all required surety bonds and insurance coverages required by the Board are in place.

12.3 Workers' Compensation Statement

Tennessee law (TCA § 50-6-101 et seq.) requires employers in the construction industry with one (1) or more employees to carry workers' compensation insurance. Contractor represents that all applicable workers'

compensation coverage is in place and will remain in place throughout the 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 Tennessee.

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 Tennessee 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 _____

TN Contractor License # _____

Date _____

Tennessee Homeowner Pre-Signing Checklist

- Verified contractor's Tennessee license is active at tn.gov/commerce/licensing (required for projects \$25,000+; Home Improvement License for \$3,000–\$24,999)
- License classification confirmed to cover the type of work being performed
- Workers' compensation insurance confirmed (required for construction employers with 1+ employees)
- General liability insurance certificate obtained and on file
- Contractor's surety bond or cash deposit confirmed with the TDCI
- Down payment limited to no more than one-third (1/3) of total contract price
- Cancellation notice form provided if contractor solicited at your home (Home Solicitation Sales Act, TCA § 47-18-701)
- Contract is in writing (required under TCA § 62-6-516 for covered home improvement projects)
- 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