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The Honorable Julia Lynn, Chair  
Senate Commerce Committee

Reference: Sub HB 2024 - Kansas Roofing Registration Act.

Good morning Madame Chair and members of the Senate Commerce Committee. My name is Ernest Kutzley and I am the Advocacy Director for AARP Kansas. AARP represents more than 337,000 members in Kansas. Thank you for this opportunity to submit our written comments in support of Sub HB 2024.

The Home Improvement Research Institute estimates that Americans spent approximately \$266 billion on home improvements in 2010. Home repair is necessary for preserving both the safety and value of property. While most contracted home repairs are completed professionally and satisfactorily, tens of thousands of homeowners annually receive inadequate, unprofessional, or fraudulent home-repair work.

Prevention of home improvement fraud is a critical concern for older homeowners, who are more likely than younger people to own a home, have no mortgage, and live in an older home that needs repair. Additionally, as homeowners age they are less likely to undertake home repairs themselves and more likely to require the services of a contractor. The latest American Housing Survey (2007) reports that 75.6 percent of homeowners age 65 and older who reported having home repairs done did not do the work themselves.

The financial and psychological effects of home improvement fraud can be severe. Older people may lose all or a significant part of their life savings and be left with shoddy or incomplete repairs and no legal resources or remedies. Licensing requirements in most states are inadequate. There are often no minimum standards

with regard to a home contractor's skills, knowledge, or financial resources, and no required personal background checks. The lack of requirements for a written contract and for specificity in contract provisions frequently makes it impossible to determine the terms agreed upon by the homeowner and contractor. In addition, state enforcement agencies often lack sufficient authority and resources to tackle the sweeping nature of contractor fraud. We believe that states should require:

- home improvement contractors are licensed, insured, and/or bonded.
- written home improvement contracts and specify required and prohibited contract provisions.
- Criminal penalties and civil remedies should be established.

Also, states should:

- provide consumers with a private right of action,
- establish a home improvement consumer recovery fund, and
- create protections for home improvement borrowers claiming contractor malfeasance or nonfeasance. This would safeguard consumers from deceptive practices when securing a mortgage or home equity loan to finance the transaction.

AARP Kansas has worked with Johnson County and community leaders in recent years to pass contractor licensing in their areas. Therefore, we support the efforts put forth in Sub HB 2024. We respectfully request your support of this legislation. Thank you.

Respectfully,  
Ernest Kutzley