



Disaster Information

From the Office of Minnesota Attorney General Lori Swanson

Be Wary of Scams

Scams to watch out for as rebuilding begins include: home repair scams, advance fee loan scams, easy “legal” fixes, protection from foreclosure, charity scams and fraud.

General Warning. Be alert to:

- People soliciting door-to-door.
- Demands for cash payment for services.
- Being asked to sign confusing papers.
- Promises to solve all your problems.

Reporting a Scam. If you suspect a scam, contact your local law enforcement officials or the Minnesota Attorney General’s Office. You may contact the Attorney General’s Office as follows:

**Office of Minnesota Attorney General
Lori Swanson**

445 Minnesota Street, Suite 1400
St. Paul, MN 55101
651-296-3353 or 800-657-3787
TTY: 651-297-7206 or 800-366-4812
www.ag.state.mn.us

Home Repair Scams

If you need to rebuild or repair construction, watch out for unlicensed or fraudulent home repair contractors who make promises that they can’t deliver, and may even grab your insurance or emergency relief money and run. Be careful, because if a con artist takes your money, it may be impossible to get it back.

Home Repair Tips

- Contact the Department of Labor and Industry, Construction Codes and Licensing Division at, 800-342-5354 to make sure the contractor is licensed to do business in Minnesota. If the contractor works in Minneapolis, they may also be licensed with the city. Check with Minneapolis by calling 311 or 612-673-3000. Also check with your municipal government if licensing is done locally.
- Make sure you take the time to check references and compare bids. Look at work the company has done for other customers. Check out any home repair firm before you sign a contract. Contact the Better Business Bureau at 651-699-1111 or 800-646-6222 to find out if there have been complaints made about the contractor.
- Once you’ve chosen a contractor, make certain all promises are in a written contract. Be sure to specify materials and completion dates.
- Don’t make the final payment until the work is completed.
- Familiarize yourself with mechanics liens. Know the subcontractors who will be providing materials or working on your job. Get lien waivers from all of them.

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Signs of a Home Repair Scam.

Watch out for the following:

- Strangers arrive at your door offering to do repairs. They often claim they can do the job cheaply because they have supplies left over from another job.
- The contractor won't give you a written estimate, contract, or references.
- Use of high pressure sales tactics in an attempt to rush your decision.
- The contractor asks for a large down payment.

Additional Information. To receive a free copy of the Attorney General's publication entitled *Home Building and Remodeling*, contact the Attorney General's Office. The Minnesota Department of Labor and Industry also provides information on hiring a contractor in its publication entitled *Hiring a Residential Contractor*.

Advance Fee Loan Scams

If you need a loan to help you rebuild, be careful. You are a potential target for an "advance fee loan scam." These scams are run by crooks who promise loans or credit, no matter what your credit history or current financial situation. They ask for large up-front fees in exchange for supposedly "guaranteeing" you a loan. If you send money, you will most likely never get a loan or hear from the company again.

Protect Yourself

- Be wary of loans that seem too easy to get.
- Don't believe promises that your past credit history won't matter.
- Remember, it is illegal for companies doing business by phone to promise you a loan and ask you to pay for it in advance.
- Never give out credit card numbers, bank account numbers, or Social Security numbers over the phone when you are dealing with an unfamiliar company.

- Be skeptical if you have to pay a significant amount of money before receiving a loan.
- Work with a local lender.

Wise Charitable Giving

When disaster happens, many charities and nonprofit organizations spring into action to collect money, food, and supplies. Unfortunately, some people want to exploit others for their own personal gain. To make sure your money really will help disaster victims, keep a few tips in mind.

Rules for Smart Giving.

- Give your money to a charity that will fill the needs of the victims. Ask how your money will be used and, if the charity does not have an office or facility near the disaster, ask how it will get your money to the victims. Give money to organizations you know. If a charity is new to you, check it out.
- Be leery of anyone who pressures you for an immediate contribution.
- Check with the Attorney General's Office to determine if the charity has registered with the State.

Most charities operating in the State of Minnesota must register with the Attorney General's Office. Call the Attorney General's Office at 651-296-3353 or 800-657-3787. TTY numbers for those using teletypewriter devices are: 651-297-7206 or 800-366-4812. To check out registered charities online, use the Attorney General's website at www.ag.state.mn.us.

Landlord and Tenant Issues

State law provides guidance to landlords and tenants when problems arise from a disaster.

Payment of Rent. If a building is destroyed or is not fit to live in, under Minnesota law the tenant is not required to pay rent and may leave premises that are no longer fit to live in.

Return of Security Deposit. When a tenant moves out because a building is destroyed or not fit to live in, the landlord must return the security deposit within 21 days. If the building has been condemned by a State or local authority, the security deposit must be returned within five days.

Clean Up and Repair of the Rental Unit. The landlord must clean up and maintain the property, including items in the rental agreement such as appliances or other furnishings. The tenant must take care of the tenant's personal belongings. If the rental unit can be lived in, but needs fixing, the tenant may be able to pay less rent during the time the unit is being fixed.

Additional Information. Contact the Attorney General's Office for a free copy of the *Landlords and Tenants: Rights and Responsibilities* handbook.

Insurance

Read your insurance policy to learn what is covered and what level of coverage you have. If you cannot find or get access to your policy, call your insurance agent or company to obtain another copy.

Homeowner's Insurance. Typical coverage under a standard homeowner's insurance policy includes the following:

- The amount of money it will pay to fix your home, including any upgrades that are required by local codes when the damage is repaired.
- Reasonable expenses you paid to live elsewhere while your home is fixed.
- The amount of money it will pay to remove debris from your home.
- Personal property such as furniture and clothing is usually covered, but limits vary by disaster. The standard policy contains actual cash value coverage on personal property.

The Special Form (known as HO-3) is used most and covers all disasters except flood, earthquake, war, and others that may be specified in your policy.

This and other information can be obtained in the Minnesota Department of Commerce's publication entitled *Home Insurance*. The Commerce Department also accepts complaints on and regulates insurance companies under Minnesota law.

Renter's Insurance. Tenant's Form (known as HO-4) is a renter's policy that insures household contents and personal belongings in the same cases as the homeowner's insurance mentioned above. Like home insurance, it provides coverage for additional living expenses and includes personal liability protection. If you are a student without renter's insurance, check your parents' homeowner's insurance to see if your personal property is covered under that policy or policies.

Flood Insurance. A standard homeowner's insurance policy does not provide flood coverage. The Federal government provides disaster assistance, but only if the President declares a disaster, and this does not guarantee that all of your repair costs will be covered. If your community participates in the National Flood Insurance Program, you can purchase flood insurance. To find out if it does, ask your city mayor or administrator.

If you have flood insurance coverage, you should file your claim with your insurance agent or company. In the case of auto insurance and other property insurance, you may be able to access cash through payment of insurance claims, if the damaged property is covered by insurance. Depending on the coverage, the insurer will pay the replacement cost or depreciated value, even if you have been paid by the government or a benefactor.

If you experience a loss, you should report the loss as soon as possible. The notice of loss should include whatever information you may have regarding the nature and extent of the damage. You should keep a record of who you notified, including the date and time. Keep copies of receipts, estimates, correspondence and keep notes of your phone conversations.

This and other information can be obtained from the Minnesota Department of Commerce's website in its publication entitled *What Every Minnesotan Should Know About Flood Insurance*.

Making a Claim

1. Call your insurance agent or company immediately.
2. Make temporary repairs and take other steps to protect your property from further damage. (Save your receipts and submit them for payment from your insurance company.)
3. Give needed information to the insurance representative handling your claim.
4. Save all receipts for costs you pay to live elsewhere while your home is fixed.
5. Separate damaged from undamaged items. Keep damaged items so that the insurance representative can look at them.
6. Check your policy for any special requirements.

Questions to Ask Your Insurance Representative

1. Am I covered?
2. What is my claim identification number?
3. Does my claim exceed my deductible?
4. How long should I expect this to take?
5. What am I supposed to do next?
6. What is my insurance company going to do next?
7. Do I have to get estimates for repairs to my property or is my insurance company going to do that?
8. Can I get an advance for emergency living expenses?
9. Who do I call if I have any further questions?

If you have questions about insurance, you may call the Minnesota Department of Commerce as follows:

Minnesota Department of Commerce

85 East Seventh Place, Suite 500

St. Paul, MN 55101

651-539-1500

www.commerce.state.mn.us

Car and Appliance Repair

Truth-in-Repairs Act. The Minnesota Truth-in-Repairs Act lists what car and appliance repair shops must do for customers when work is done that costs more than \$100 and less than \$7,500.

Written Estimates. You have the right to ask for and to get a written estimate for repair work when the cost is between \$100 and \$7,500. The written estimate should describe the problem, list charges for parts and materials, and give the total estimated price including labor and tax. If you request a written estimate and the repair shop does the job, the shop cannot charge more than 10 percent above the estimated cost without your permission.

A repair shop cannot do any unnecessary or unauthorized repairs. The shop may go over the original written estimate only if the customer has been informed about the additional repair work and been given a new estimate.

After the Repair. When the repairs are done, the shop must give the customer a copy of a dated invoice for the repairs. This must describe and list all charges, give notice of any used or rebuilt parts and the odometer reading.

General Repair Tips

- If you can, look into repair shops before you need one. Ask friends and neighbors if they know a good mechanic.
- Ask the Better Business Bureau about a shop's work.
- Get a written estimate and tell the mechanic to call you to authorize repairs that are not listed on the written repair order.
- If you believe a mechanic is going to do more work than necessary, or you think the estimate is too high, get a second opinion.

Safety Considerations

The US Consumer Product Safety Commission (CPSC) warns disaster victims that all gas control valves, electric circuit breakers, ground fault circuit interrupters (GFCIs), and fuses that have been under water must be replaced to avoid explosions and fires. Once these devices have been in water, they are unfit for use and cannot be fixed.

Other parts of gas and electric appliances that have been submerged, such as fans, motors, electric circuits, and venting systems, should be looked at by a qualified technician for continued safe operation. Other appliances may need to be replaced. The CPSC also recommends that consumers test smoke detectors that have been submerged.

Reporting Unsafe Products. To report an unsafe product to the CPSC, contact it at 800-638-2772. The TTY number is 800-638-8270.

Disaster Aid to Farmers

Direct Federal Aid. Farmers may be eligible for Federal Aid if they live, own land, or work in a county declared a Federal Disaster Area. Available help includes low-interest loans, cash grants, and housing assistance. For more information, call FEMA at 800-462-9029. Financial Assistance for damage may be available through the USDA Farm Service Agency, Natural Resources Conservation Service or the Small Business Administration. Your county Farm Service Agency (FSA) office is a good source of help and information.

Financial Planning and Farm Advocacy. The Minnesota Department of Agriculture has a one-on-one advocacy assistance program to provide farmers with disaster advice on agricultural loan programs, lender negotiation and mediation, farm programs, grain and chemical storage, and other crisis services. Call the Minnesota Department of Agriculture at 800-967-AGRI (2474) for information on advocates in your area.

Farm Chemicals. To report spills, releases or threatened releases of pesticides, fertilizer, manure, petroleum, or hazardous chemicals, call the Minnesota Duty Officer at 800-422-0798. For questions about other farm chemical issues such as disposal of waste pesticides or fertilizers, call the Minnesota Department of Agriculture at 651-297-1062.

Additional Information. A great resource is the *Farmer's Guide to Disaster Assistance*. Copies are available for a fee from the Farmers' Legal Action Group at 651-223-5400 or download it for free at: www.flaginc.org/topics/disaster/index.php.

Resources

Office of Minnesota Attorney General

Lori Swanson

445 Minnesota Street, Suite 1400

St. Paul, MN 55101

651-296-3353 or 800-657-3787

TTY: 651-297-7206 or 800-366-4812

www.ag.state.mn.us

Minnesota Department of Commerce

85 East Seventh Place, Suite 500

St. Paul, MN 55101

651-539-1500

www.commerce.state.mn.us

Minnesota Department of Labor and Industry

Construction Codes and Licensing Division

443 Lafayette Road North

St. Paul, MN 55155

651-284-5012 or 800-342-5354

www.doli.state.mn.us

Better Business Bureau

220 South River Ridge Circle

Burnsville, MN 55337

651-699-1111 or 800-646-6222

www.thefirstbbb.org

Federal Emergency Management Agency (FEMA)

800-462-9029

www.fema.gov

Minnesota Department of Agriculture

Farm Advocates

800-967 AGRI (2474)

Hazardous Chemical or Pesticide Spills or Disposal

651-649-5451 or 800-422-0798

Farmers' Legal Action Group

651-223-5400

www.flaginc.org