

Before Signing a Contract

Contracts are part of everyday life. Almost anything you buy, sell, borrow, loan, rent, repair or trade involves a contract.

You make a contract when you use a credit card, rent something, buy insurance, or hire someone to paint your house.

A contract is a legal agreement between two or more people.

It spells out the terms of the agreement. A contract can be oral or written. But it's a good idea to put a contract in writing. You do not need to use special forms or legal language to write a contract.

Basic Rules:

- ▶ Shop around before you make a decision. Make sure you are getting a good buy or deal.
- ▶ Read the contract carefully. Make sure you understand it well before you sign it. Ask for help if needed.
- ▶ You can make changes in the contract before you sign it. But the other person must agree. Both of you should initial the changes when you sign the contract.
- ▶ Do not rely on spoken promises. Make sure everything is written into the contract.
- ▶ Do not sign any contract until all the blanks are filled in.
- ▶ Make sure to keep a copy of the contract.
- ▶ Don't rush into signing anything.



Karen P. Varcoe, Consumer Education Specialist, University of California, Cooperative Extension, in collaboration with UC's Spanish News Service.

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