



NCHILB Newsletter - Winter 2011

North Carolina Home Inspector Licensure Board

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Mission Statement:

The mission of the N.C. Home Inspector Licensure Board is to safeguard the public health, safety, and welfare, and to protect the public from being harmed by unqualified persons by regulating the use of the title "Licensed Home Inspector," and by providing for the licensure and regulation of those who perform home inspections for compensation.

Letter from the Chairman – Wm. T. Jones:

On Feb. 25, 2011 Board Vice-Chairman Marion Peeples, Standards of Practice & Rule Committee Chairman David Jones and myself along with Executive Director Mike Hejduk had the privilege of participating in a Q&A session at the annual NCLHIA Conference.

In the past we have tried to conduct our board meeting at an association annual conference to allow more inspectors an opportunity to meet and address issues directly to the Board. Due to our inability to schedule our meeting for that date, we agreed to have some of the board members present for an open discussion and Q&A period. I believe this type of session was very informative for all in attendance.

As most of you are aware by now, the Board voted at the January meeting not to regulate IBHS Fortified Home Evaluators as Home Inspectors. I feel this was the right decision for the Board to make at this time. I have received emails as I am sure many of you have regarding classes to become certified as a "Fortified Evaluator". Maybe this will be an opportunity for some home inspectors to increase revenues during these slower economic times.

You will be hearing much more in the near future about Pre-licensing and next year's Board-developed Update course from the Education Committee. Continuing Education (CE) Sponsors will be providing you information on elective courses they are developing to support the three-year 48 hour CE program.

Finally, I would like to say "Thank You" to all the committee members and the NCHILB Staff for doing such a great job and making my term as Board Chairman a pleasant one.

Respectfully,
William T. "TJ" Jones
Chairman

Director's Message - Mike Hejduk:

Since the Fall issue of the newsletter, the Board met on Jan. 14, 2011 and Mar. 11, 2011. This newsletter addresses the Board's goal of processing most complaints to conclusion within 6 months and Staff's plan of action. I would also like to take this opportunity to recognize educational efforts by two home inspector associations in North Carolina.

Recently I had the opportunity to participate on the panel discussion at the NCLHIA Annual Conference "NCHILB Q&A Session". We received many positive comments regarding the relaxed and informative session that allowed unfettered exchanges between licensees and Board members.

Vice-Chairman Marion Peeples and Board member David Jones attended an NC ASHI Peer Review in



NCHILB at NCLHIA Annual Conference Q&A Forum pictured (from left to right) Mike Hejduk, Marion Peeples, Fred Herndon (NCLHIA Pres.), David Jones, "TJ" Jones.

Raleigh on Mar. 5, 2011 and invited me to observe. There are several components to this program. First, an on-site inspection of the home is conducted by a team of home inspectors. Next a debriefing session is held by the evaluators in an off site location where a list of the “Top 10 Must Find” deficiencies is “negotiated.” Candidates for the *IBR® Inspector By Review™* rating inspect the house and then make an oral presentation of their home inspection findings. The evaluation committee also quizzes the candidates on the NC Home Inspector Licensure Act (NC General Statutes), Board Rules and Standards of Practice. A peer review of the candidate’s report is provided as well.



NC ASHI Peer Review Committee members pictured (left to right) are John Woodmansee, Gary Gentry, David Jones, Bill Delamar, George VanHorn, Marion Peeples, Bill Dillion and Andy Hilton.

With the NCHILB moving forward with rule changes to accommodate prelicensing classroom and field training, it is possible that association sponsored programs such as these may qualify for educational credit for licensees.

Education – Prelicensing rules have been adopted by the Board for submission to the rulemaking process. A first draft of the Board-developed Update course for next year (the first year of the “48 hour” / (3) 16 hour Continuing Education Program required by the General Assembly in Session Law 2009-509) has been received and is under review by the Education Committee and Staff.

Licensing – Despite the weakened housing market, Staff continues to receive applications from people interested in becoming home inspectors. However, with regard to associate home inspectors, Session Law 2009-509 prohibits the Board from accepting applications for

associate licensure after Apr. 1, 2011, from issuing licenses for associates on or after Oct. 1, 2011, and from renewing associate licenses on or after Oct. 13, 2013.

Occasionally Staff receives calls from people who are searching for the services of home inspectors. While the HILB website includes a directory of names by county, additional information can be found through the various trade associations as well. Recently, links to home inspector associations have been added to the [CONSUMERS](#) menu item tab on the Board’s web site.

Priorities for 2011:

The Board’s stated priorities for 2011 are:

- Facilitate a pre-licensing education program of instruction
- Reduce complaint processing time through final action by Board to six (6) months for the vast majority of complaints.
- Assist Home Inspectors in improving the quality of home inspection reports
- Take appropriate action against unlicensed activity as authorized by the law

Board Meetings 2011:

Regular Board meetings are generally scheduled for the second Friday of every other month, resulting in six meetings per year. Upcoming meetings are currently scheduled to be held at the Board’s office in Raleigh on May 13, 2011 and Jul. 8, 2011

Committees:

- **Application Evaluation – T. Jarrett**
Equivalent Experience Review
- **Exam – D. Jones**
Develop additional exam bank questions
- **Finance – T. Triebel**
Develop and monitor Budget
- **Legislative – T. Triebel**
Monitor Laws & Rule Changes
- **Education – C. Noles**
Board Developed Update Course
48 hour Continuing Education program
Pre-Licensing program
- **Standards of Practice – D. Jones**
Rule Changes
Interpretations & FAQs
Recommended Language
- **Investigator Advisory – M. Peeples (Acting)**
Complaints – Licensed/Unlicensed
Investigations & Contract Assistance
Disciplinary Actions/Consent Agreements
- **Personnel – W. Jones**

“Spotlight on Standards”

Licensees are responsible for staying up-to-date with the laws and rules affecting their practice, and are strongly encouraged to regularly read and review the Standards of Practice and Code of Ethics. Licensees using commercially available report software packages should ensure automated report default settings, if used, provide an accurate report for the property inspected. Please note that an updated edition of the Rules with all amendments effective through [Feb. 1, 2011](#) is now available through the web site and is being emailed as an attachment to this newsletter. [note: This edition includes, as an advance notice in blue, changes to Rule 08.1318 Elective Course Component that increases required elective CE from 8 to 12 hours. This Rule does not become effective until 10/1/2011 when the total CE (update + elective) required to renew a license on ACTIVE status will increase from 12 to 16 hours.]

Recent changes to 11 N.C.A.C. 08.1300 Continuing Education (CE) that became effective Jan. 1 and Feb. 1, 2011:

- .1303 increases the maximum hours of CE required to change a license status from INACTIVE to ACTIVE from 16 to 24.
- .1326 deletes the requirement for continuous visual communication between instructors and students to allow cost effective distance education.
- .1319, .1332 & .1336 changes to allow electronic payments.

Proposed Rule Changes in Process

The Standards of Practice/Rules Committee and Board have approved the following rules for submission to the rules review process:

08.1006 Net Assets or Surety Bond: This rule is re-titled **Insurance Requirements** and was amended to establish parameters for general liability insurance policies to cover licensee activities performed during the course of a home inspection on the premises of the home inspected and to cover both property damage and bodily injury coverage.

08.1020 through .1028 Prelicensing: New rules set course requirements and criteria for 120 hour classroom and 80 hour field training program sponsor approval. Prelicensing course completion would become an alternate means to meet applicant experience and education requirements to sit for the state exam and

subsequent licensure in lieu of the experience previously provided through the associate program.

08.1103(b)(3)(B) Purpose and Scope: Proposed change – “State which systems and components present at the home and designated for inspection in this Section ~~have been inspected, and state any systems or components designated for inspection that~~ were not inspected, and the reason for not inspecting.

License Administration - Terri Tart:

- **Late Renewals.** Licenses renewed on or after Oct. 1 are considered late renewals. A licensee seeking to renew late must pay late fees in addition to the annual renewal fees.

Fees	Home Insp.	Assoc. Insp.
Oct.1, 2010	\$160+\$30=\$190	\$110+\$20=\$130

- **Statistics (as of March 31, 2011).**

Home Inspectors – active	1188
<u>Associate Home Inspectors - active</u>	<u>47</u>
Total Inspectors – active	1235
Home Inspectors – inactive	564
<u>Associate Inspectors – inactive</u>	<u>69</u>
Total Inspectors – inactive	633
Total # N.C. Licensees	1868

- **Applications.** Persons interested in becoming licensed in North Carolina must submit a completed application form. Application forms are available through the Board website, or they may be mailed by Staff upon request. The application must be accompanied by the applicable fee for a home inspector or associate home inspector. Applicants determined by Staff to meet requirements are mailed notices and thereafter may register to take the mandatory state exam. Staff may refer certain applications to the Application Evaluation Review Committee for approval or denial.
- **Exams.** Advance registration and payment of the required fee is necessary to sit for the state licensure exam. All examinations are held at the Board's testing room in Raleigh. If necessary, an additional day of exams may be added. A score of 70% is required to pass the exam. Examination reviews are available only to applicants who fail the exam. Applicants who do not score a passing grade must wait 6 months to take the exam again.



Another group of examinees prepares to take the state licensing exam at the Board office in Raleigh.

Education Coordinator - Jennifer Hollyfield:

- **License Issuance.** Upon an applicant's successful completion of the exam and payment of the initial license issuance fee, the newly licensed home inspector will be assigned a license number and mailed a license certificate and a pocket identification card. The annual license period runs from Oct. 1 to Sept. 30. NOTE: New licensees are required to submit their first 2 home inspection reports to Staff for review as a check for compliance with the Standards of Practice.
- **Change of Address.** Licensees must provide change of address information to the Board per General Statute 143-151.54(a). Please note that annual license renewal notices are mailed each year to licensees at the last mailing address provided. The introduction of online renewals will also allow licensees to change their mailing and e-mail address information.
- **Associate Home Inspector.** Session Law 2009-509 prohibits the Board from accepting applications for licensure as an associate home inspector after April 1, 2011. The Board may not issue a license for an associate home inspector on or after Oct. 1, 2011. The Board may not renew an associate home inspector license on or after Oct. 1, 2013. From the preceding table, there are 101 licensed associate home inspectors (32 active, 69 inactive). Staff has received several calls concerning whether recent statute changes will permit these licensees to take the home inspector exam. Associate home inspectors who hold a license as of Oct. 1, 2011, and have performed 100 inspections for compensation and have 1 year experience may qualify for the home inspector exam registration. In other words, even though N.C.G.S. 143-151.51(a)(5)(a), effective Oct. 1, 2011, only refers to satisfactory completion of an education program, the associate program participants are "grandfathered in".
- **Update Course.** The Board-developed update course approved for 2010 - 2011 is Electrical Safety – Part I. The update course for 2011-2012 currently under development (part of the first 16 hour module of the 48 hour CE program) will address practical application of and compliance with the Home Inspector Licensure Act and Board Rules (Standards of Practice and Code of Ethics).
- **Elective Courses.** Sponsors are responsible for updating and developing new elective courses for approval annually. Sponsors and instructors must also reapply each year for approval. Please check the Board's web site for a complete listing of course offerings for the current license renewal period. Licensed inspectors must currently earn 12 hours of continuing education (CE) credits every license period (Oct. 1 to Sept. 30), including the 4 hour Board-developed update course and 8 hours of sponsor-developed elective courses. Information on Board-approved courses, locations and instructors is available through the web site menu item **CONTINUING EDUCATION, INFORMATION.**
- **48 Hour CE Program.** Session Law 2009-509 instructed the Board to require all licensees licensed on or before Sept. 30, 2011, to complete a continuing education program focused on inspection techniques and reporting requirements. The program must consist of a total of 48 hours of instruction over 3 years, with 16 hours taken in each year. The Board has approved a 3 year schedule and core curriculum to allow coordination by Elective Course Sponsors. A matrix showing the scheduled as approved is included as the last page of this newsletter.
- **CE Rule Changes.** In response to the 48 hour program requirement, the Board approved a proposed rule change to .1302 to increase the annual CE requirement from 12 to 16 hours. The Board approved a related proposed rule change to .1303 to increase the maximum CE required to reinstate an inactive license from 16 to 24 hours.
- **Pre-licensing Education Program.** Session Law 2009-509 amended NCGS 143-151.49(b) to provide a path to licensure as a home inspector through attendance and graduation from a pre-licensing education program. Rule .1004(c), effective April 1, 2010, requires the pre-licensing home inspection course or training program to consist of at least 120 hours of instruction. The Education Committee has reviewed classroom and

field training criteria of 120 hours and 80 hours respectively.

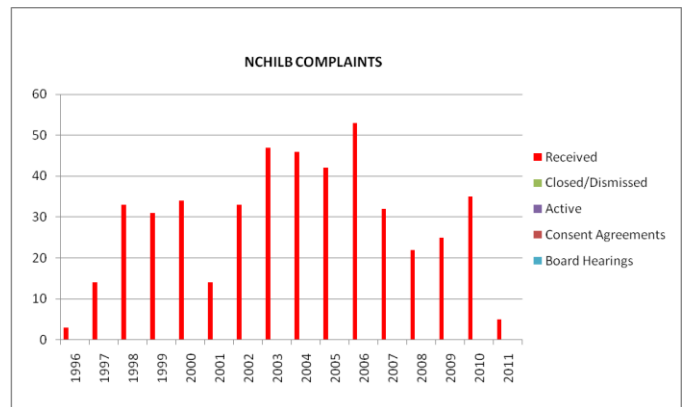
- **Sponsor Per Student Fee Payments.** Staff is proceeding with plans to offer online payment by sponsors similar to the online payment for license renewals initiated last year. Rosters for class enrollment and calculation of fees would be prepared via an electronic form. Future enhancements would include verification of licensee name, license number and whether the student had attended the course in the last 3 years to ensure CE credit may be earned.

- **Statistics.**

Update Course Sponsors - approved	25
Update Course Instructors - approved	13
Elective Course Sponsors - approved	25
Elective Course Instructors - approved	92
Elective Courses - approved	43

Investigations - Phil Joyner:

- **Investigation Review Committee.** The Board’s Bylaws establish this as a standing committee charged with reviewing all investigation reports that have basis in fact to a complaint and determining if a disciplinary hearing will be held. The committee reviews all Staff proposed consent agreements and makes recommendations to the Board. Normally, these committee meetings go into closed session citing one or more permissible purposes under N.C. Gen. Stat. § 143-318.11 such as to hear reports concerning investigations of alleged criminal misconduct, since all alleged violations of the Home Inspector Licensure Act are potential Class 2 misdemeanors under N.C. Gen. Stat. § 143-151.49. Only two members of the Board serve on this committee. The Board’s legal counsel assigned by the N.C. Dept. of Justice also attends this committee. These two Board members are not allowed to vote in any cases that are referred to the Board for a disciplinary hearing because they have access to information that may or may not be admitted as evidence in a hearing.
- **6 month Complaint Process Goal.** The Board understands the frustration expressed by complainants and licensees when complaints are not processed in a timely manner. The chart below shows the approximate number of complaints received each year against licensees indicated by the **red bars** (staff is now researching the other data). From time to time, backlogs delay acknowledgement of complaints, notification to licensees, site visits and issuance of investigation reports by staff.



Staff believes the Board’s goal of processing the vast majority of complaints within 6 months can be met by setting the following milestones:

- ✓ Acknowledgement letter mailed to complainant and copy of complaint mailed to licensee (provided it is substantially complete) within 1 week of receipt.
- ✓ Rule 08.1204(b) requires a written response from the licensee within 2 weeks after receipt of the complaint.
- ✓ Site visit scheduled within 2 months of complaint.
- ✓ Investigation report drafted and issued within 4 months of complaint that states whether sufficient evidence exists to support alleged violations.
- ✓ Staff and Investigation Review Committee recommend proposed terms and conditions for a Consent Agreement, to the licensee within 5 months of complaint, if a Consent Agreement is deemed appropriate.
- ✓ Investigation Review Committee recommends signed Consent Agreement or requests Board schedule a disciplinary hearing within 6 months of complaint.

Certainly some investigations may take longer than others. As the chart above suggests, Staff receives on average between 2 and 3 complaints per month or 24 to 36 per year, though some years, such as 2006 with 53, may be substantially higher.

- **Technical and Personnel Resources.** In order to meet the proposed milestones, the Board has authorized additional contract inspectors through the end of this fiscal year ending June 30, 2011. Staff solicited applications from licensees who went on INACTIVE status effective Sep. 30, 2010 to minimize potential for conflict of interest with active licensees based upon feedback. Staff projects that the additional manpower will allow the existing backlog to be eliminated over the next several months. Staff is also working to improve the functionality of the database containing complaint

information to automate tracking capabilities and report generation.

Board Disciplinary Action

A list of licensees previously disciplined by the Board is available through the web site menu item [DISCIPLINARY ACTIONS](#).

- **Consent Agreements.** Since the Fall 2010 issue of the newsletter, the Board has resolved 2 complaints concerning licensees by Consent Agreements:
 - Mar. 11, 2011, Bond, Clifford J., III . (#403): Letter of Reprimand for improper contract and inspection report deficiencies; 15 days license suspension beginning Mar. 11, 2011 and ending Mar. 26, 2011; 12 months probation ending Mar. 26; 2012; one 4 hour course Report Writing and one 4 hour course Structural Inspections; submission of a written contract, and submission of 2 home inspection reports for review.
 - Mar. 11, 2011, Lail, Mark B, (#1635): Letter of Reprimand for web site advertisement of structural engineering and performing home inspections without a contract signed by the client. 30 days license suspension beginning Mar. 11, 2011 and ending Apr. 10, 2011; 12 months probation ending Apr. 10, 2012; and submission of a written contract.
- **Disciplinary Hearings.** General Statute 143-151.56(b) states the Board may refuse to renew, suspend or revoke licenses or impose probationary conditions upon a licensee after holding a hearing. As with a driver’s license, holding a home inspection license is a privilege, not a right. If the Board suspends or revokes license issued by it, the individual to whom it was issued must turn over the license to the Board upon demand. The Board may also issue a Letter of Reprimand as part of a disciplinary order.
- **Statistics.**

Consent Agreements - Active	3
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Photographs



Terri Tart administers home inspector and associate exams in the large classroom at the Office of State Fire Marshal on Chapanoke Road in Raleigh.

Keeping Up With Codes

The Engineering Division produces a free *e-newsletter* you might be interested in. Most of the articles pertain to codes: Interpretations, Research on construction methods and materials, etc. To read previously posted newsletters, go to

http://www.ncdoi.com/OSFM/Engineering/engineering_newsletter.asp

To subscribe go to:

http://www.ncdoi.com/OSFM/Engineering/engineering_home.asp and click on the box on the right that says

“Sign up for Email Updates”.

N.C. Home Inspector Licensure Board **Appointees**

Chairman..... William Talmadge 'TJ' Jones^{2A}
Vice Chairman Marion Peeples^{1A}
Secretary Chris Noles⁴
Treasurer..... Ted Triebel^{3B}
Member Waverly Sawyer^{1D}
Member David G. Jones^{2A}
Member Gerald Canipe^{3A}
Member Tony Jarrett^{1C}

Appointed by:

1. Governor
2. President Pro Tempore Senate
3. Speaker of the House of Representatives
4. Commissioner of Insurance

Representing:

- A. Home Inspectors
- B. Public Member
- C. N.C. Association of Realtors®
- D. N.C. Home Builders Association®

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(3) x 16 = 48 Hour Course Topics

	2011-2012	2012-2013	2013-2014
Board-Developed Update (4 hour)	N.C. General Statutes N.C. Administrative Code Standards of Practice Inspection Requirements Report Writing Checklist Code of Ethics	Personal safety	Proposed Understanding Moisture Migration and Water Infiltration into buildings Building Decay Flashings
Elective Course 1 (4 hour)	Structural Foundations Under floor spaces Basements Slabs (up to and including sill plates)	Structural Framing Underfloor Attics, Walls	Roofing Exteriors
Elective Course 2 (4 hour)	Electrical Chronological History and progression <u>Focus on Exterior</u> Grounding and Bonding Main Distribution and sub panels	Electrical <u>Focus on Interior</u> GFCI, AFCI, Receptacles, Lights, Branch circuits 3 way circuits Smoke detectors, etc.	Insulation, Ventilation, Interiors and Built-In appliances Blown, Batt, and Foam spray insulations
Elective Course 3 (4 hour)	HVAC Refrigeration Cycle Heat Pumps, Air Conditioning, Thermostats, Multi zoning Emergency Heat (both electric resistance and gas piggy back hybrids)	HVAC Gas Heat (LP and Natural) Electric Furnaces, Hydronic Heat (Steam, Water, Apollo)	Plumbing Water Supplies, Piping Drain Waste Vents systems Piping and supports Water Heaters