



NCHILB

Board-developed Update Course 2014 -2015:

Rule Changes; Contracts; Discipline; DDID

2014 - 2015

Board-developed Update

- Course Objective
 - 4 hours Continuing Education Credit (4 @ 50 min)
- Learning Outcomes
 1. Increased understanding of recent changes in Laws and Rules that govern home inspections.
 2. Improved contracts with clients.
 3. Improved understanding of Disciplinary Authority of the Board.
 4. Improved home inspection report compliance.

Course Overview

- 1st hour – Rule Changes since Oct. 1, 2011
- 2nd hour – Contracts
- 3rd hour – Disciplinary Actions
- 4th hour – Report Writing - DDID

NCHILB

N.C. Gen. Stat. § 143-151.44 Purpose (Mission)

The mission of the NC Home Inspector Licensure Board is to safeguard the public health, safety, and welfare and 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.

Statute & Rule Changes

- Effective Oct. 1, 2011 Prelicensing
- Effective May 1, 2013 Code of Ethics
- Effective Sep. 1, 2013 .1110 Electrical
- Effective Oct. 1, 2013 Senate Bill 2007
- Effective Feb. 1, 2014 Disciplinary Actions
- Effective Oct. 1, 2014 .1103, 12 hrs CE

NC General Statutes Effective October 1, 2011

§143-151.46 Clarified qualifications of Board members.

§143-151.49 Allowed the Board to approve candidates for licensure who have attended a Board approved prelicensing educational and training program.

§143-151.51 Added prelicensing option and General Liability insurance to requirements for licensure.

§143-151.46 NCHILB est.; members; terms; vacancies

Old Language February 1, 2011

(1) A public member who is not in one of the professional categories...

New Language October 1, 2011

(1) A public member who is not actively engaged in one of the professional categories in subdivisions (2) through (4) of this subsection, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.

§143-151.49 Powers and responsibilities of Board

Old Language February 1, 2011

(b) Exam - in developing a licensing examination to determine the knowledge of an applicant, the Board must emphasize knowledge gained through experience.

New language October 1, 2011

(a) General. – The Board has the power to do all of the following:

(11a) Establish education requirements for licensure.

(12) Establish continuing education requirements for persons licensed under this Article. (13) Adopt rules necessary to implement this Article.

(b) Education Requirements. – The education program adopted by the Board may not consist of more than 200 hours of instruction. The instruction may include field training, classroom instruction, distance learning, peer review, and any other educational format approved by the Board.

§ 143-151.51 Requirements for Licensure

Old Language February 1, 2011

- (3) Minimum net assets or bond
- (5) Associates program, 1 year, 100 inspections

New language October 1, 2011

- (3) Repealed and replaced with other language
 - (5) Education program within 3 years, must be licensed for at least 6 months and remain in good standing with respective board.
- (b) Mandatory General Liability insurance requirement of \$250,000 and optional Errors & Omissions insurance in lieu of net assets or bond.

NC Administrative Code (NCAC / Board Rules)

.1106 Insurance Requirements

.1020 Prelicensing Definitions

.1021 Prelicensing Program

.1022 Prelicensing Sponsors

.1023 Prelicensing Sponsors Application

.1024 Prelicensing Course Requirements

.1025 Prelicensing Course Completion Standards

.1026 Prelicensing Course Scheduling

.1027 Prelicensing Program Textbook Requirements

.1028 Prelicensing Program Course Completion Reporting

.1103 Purpose and Scope: Deletes the requirement to state items that were not inspected because they were not present at the home. Continues the requirement for systems and components that were present at the home to state those that were not inspected and the reason for not inspecting.

.1318 Elective Course Component: 12 to 8 hours

Prelicensing Sponsors

- Classroom 120 hr.
- Field Trainer 80 hr.
- 10 site visits

.1021 PROGRAM STRUCTURING AND ADMISSION REQUIREMENTS

The home inspection prelicensing education program shall consist of a minimum total of 200 hours consisting of classroom and field training as follows:

- (1) Academic education consisting of at least 120 hours classroom instruction; and
- (2) Training consisting of at least 80 hours of field instruction with at least 10 site visits.

.1022 PROGRAM SPONSORS

The course sponsor of a home inspection prelicensing program shall obtain approval of the Board for its educational program.

.1023 APPLICATION FOR PROGRAM SPONSOR APPROVAL

- (a) An entity seeking approval to sponsor a home inspection prelicensing education program must make written applications to the Board upon a form provided by the Board.
- (b) An applying entity that is not a resident of North Carolina shall also file with the application a consent to service of process and pleading.
- (c) The applicant shall submit separate applications to sponsor the academic classroom and practical training portions of the program.
- (d) The application shall be accompanied by a program plan outline, course description materials, instructor's guide and text book, North Carolina Standards Of Practice and Code Of Ethics (Section .1100 of Chapter 8), sample exams, and report formats.
- (e) The sponsor must obtain approval by the Board 45 days prior to the commencement of any courses or training.

.1024 COURSE REQUIREMENTS

(a) Prelicensing programs shall be comprised of the following subject areas:

Introduction to Home Inspection N.C. General Statutes, Standards of Practice and Code of Ethics, and Inspection defect and report writing including:

- (a) Structural Components;
- (b) Exteriors;
- (c) Roofing;
- (d) Plumbing;
- (e) Electrical;
- (f) Heating;
- (g) Air Conditioning;
- (h) Insulation and Ventilation;
- (i) Interiors; and
- (j) Built in Kitchen Appliances

(b) Courses may include coverage of additional related subject areas not prescribed by the Board; however, any such course shall provide additional class time above the minimum requirement for the coverage of such additional subject areas.

(c) Classroom time and instructional materials shall be utilized for instructional purposes only and not for promoting the interests of or recruiting employees or members for any particular home inspector, home inspection firm or franchise.

(d) Practical training time and instructional materials shall be utilized for instructional purposes only and not for promoting the interests of or recruiting employees or members for any particular home inspector, home inspection firm or franchise.

Standards of Practice - February 1, 2011

.1103 PURPOSE AND SCOPE

(3) Submit a written report to the client that shall:

(A) Describe those systems and components required to be described in Rules .1106 through .1115 of this Section;

(B) State which systems and components 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;

Standards of Practice - October 1, 2011

.1103 PURPOSE AND SCOPE

(3) Submit a written report to the client that shall:

(A) Describe those systems and components required to be described in Rules .1106 through .1115 of this Section;

(B) State which systems and components present at the home and designated for inspection in this Section were not inspected, and the reason for not inspecting;

.1318 ELECTIVE COURSE COMPONENT

(a) To renew a license on active status, a licensee shall complete **12 classroom hours** of instruction in three or more Board approved elective courses within one year preceding license expiration and in addition to satisfying the continuing education mandatory update course requirement described in Rule .1309 of this Section.

May 1, 2013

.1012 SUSPENSION OF AUTHORITY TO EXPEND FUNDS

In the event that the Board's authority to expend funds is suspended pursuant to G.S. 93B-2(d), the Board shall continue to issue and renew licenses, registrations, and certifications and all fees tendered shall be placed in an escrow account maintained by the Board for this purpose. Once the Board's authority is restored, the funds shall be moved from the escrow account into the general operating account.

May 1, 2013

.1116 CODE OF ETHICS

- a) Licensees shall discharge their duties with fidelity to the public and to their clients, with fairness and impartiality to all.
- b) Opinions expressed by licensees shall be based only on their education, experience, and honest convictions.
- c) No licensee shall compensate, either financially or through other services or benefits, realty agents or other parties with a financial interest in closing or settlement or real estate transactions for the following:
 - a) Referral of inspections; or
 - b) Inclusion on a list of recommended inspectors or preferred providers.
- d) Before the execution of a contract to perform a home inspection, a licensee shall disclose to the client any interest he or she has in a business that may affect the client. No licensee shall allow his or her interest in any business to affect the quality or results of the inspection work that the licensee may be called upon to perform.

.1110 Electrical

The rule change requires home inspectors to report in writing on the presence or absence of permanently installed carbon monoxide alarms (in addition to smoke detectors) in any homes with fuel fired appliances or attached garages, and operate their test function, if accessible, except when detectors are part of a central system.

Old Language May 1, 2013

(8) Smoke detectors.

New Language September 1, 2013

(8) Smoke detectors and permanently installed carbon monoxide alarms

(d) The home inspector shall report in writing on the presence or absence of smoke detectors, and permanently installed carbon monoxide alarms in any homes with fuel fired appliances or attached garages, and operate their test function, if accessible, except when detectors are part of a central system.

October 1, 2013

Session Law 2009-509, Senate Bill 1007. This legislation instituted various statute changes with various effective dates of August 26, 2009; October 1, 2009; October 1, 2011, and; October 1, 2013. This edition of the regulations permanently removes those provisions effective until October 1, 2013 and now repealed. Provisions effective October 1, 2013 (going forward) remain.

§ 143-151.45. Definitions.

The following definitions apply in this Article:

[Repealed by Session Law 2009-509, s.3.3, effective October 1, 2013]

§ 143-151.52.

[Repealed by Session Law 2009-509, s.3.3 effective October 1, 2013]

§ 143-151.58. Duties of licensed home inspector.

Old Language October 1, 2013

.1202 Complaints

- (a) Anyone who believes that a licensee is or has been engaged in any conduct set out in GS 143-151.56(a) may file a written complaint against that licensee. The Board may, upon its own motion, initiate an investigation of a licensee. The Board shall not consider complaints that are received by the Board more than three years from the date of the inspection.
- (b) An information memo containing instructions for filing the complaint shall be mailed to anyone requesting complaint information from the Board. The complaint shall specifically identify the licensee and describe the conduct complained about.

.1203 Board Staff

The Engineering Division shall verify whether any allegations against a licensee are violations of the Standards of Practice, Code of Ethics, or of the General Statutes.

.1204 Investigation

.1205 Disciplinary Hearing

New Language February 1, 2014

.1202 Complaints

Anyone who believes that a licensee is or has been engaged in any conduct set out in GS 143-151.56(a) may file a written complaint against that licensee. ~~The Board may, upon its own motion, initiate an investigation of a licensee. The Board shall not consider complaints that are received by the Board more than three years from the date of the inspection.~~

.1203 Board Staff

~~The Engineering Division shall verify whether any allegations against a licensee are violations of the Standards of Practice, Code of Ethics, or of the General Statutes.~~

[The rule is repealed because the Board must determine whether allegations against a licensee are violations of the Standards of Practice, Code of Ethics or of the General Statutes.]

.1204 Investigation The rule change removes the requirement for the Engineering and Codes Division to issue a report prior to a review and determination by the Board's Investigation Review Committee. The rule change clarifies the role of the Investigation Review Committee in making determinations and recommendations to the Board regarding evidence of violations of the Standards of Practice. The rule change removes complainant appeals.

.1205 Disciplinary Hearing (February 1, 2014) The rule change removes the notice and hearing provisions as these provisions are now included in Rule .1204(c)(4).

.1204 INVESTIGATION

On receipt of a complaint conforming to this Section, the Engineering and Codes Division shall conduct an investigation.

A copy of the complaint and supporting information as set forth in Rule .1202(d) and (f) of this Section shall be mailed to the home inspector. The home inspector shall submit a written response to the Engineering and Codes Division within two weeks after receipt of the copy of the complaint.

Upon completion of the investigation, the Board's Investigation Review Committee ("Committee") shall make a determination of whether there is sufficient evidence to support a violation of G.S. 143-151.56(a). Based on its determination, the Committee may:

- (1) recommend to the Board that the complaint be dismissed;
- (2) recommend to the Board to dismiss the complaint and a letter of caution be issued to the home inspector;
- (3) recommend to the Board that the complaint be resolved by consent agreement if the home inspector agrees to the terms of the consent agreement; or
- (4) recommend to the Board to establish a time and place for a disciplinary hearing and give notice to the home inspector and complainant. Prior to the matter's being heard and determined by the Board, it may be resolved by consent agreement with the approval of the Board.

The Committee shall notify the complainant and the home inspector of its determination.

New Language

.1103 PURPOSE AND SCOPE

(a) Home inspections performed according to this Section shall provide the client with an understanding of the property conditions, as inspected at the time of the home inspection.

(b) Home inspectors shall:

(1) Provide a written contract, signed by the client, before the home inspection is performed that shall:

(A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board as set forth in this Section;

(B) Describe what services shall be provided and their cost; and

(C) State, when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.

(2) Inspect readily visible and readily accessible installed systems and components *described in Rules .1106 through .1115 of this Section*; and

(3) Submit a written report to the client that shall:

(A) Describe those systems and components required to be described in Rules .1106 through .1115 of this Section;

(B) State which systems and components present at the home and designated for inspection in this Section were not inspected, and the reason for not inspecting;

(C) State any systems or components so inspected that do not function as intended, allowing for normal wear and tear, or appear not to function as intended, based upon documented tangible evidence;

(D) Describe the system or component; state how the condition is defective; explain the implications of conditions listed in the summary; and direct the client to a course of action for repair, further investigation by a specialist, or subsequent observation; and

(E) State the name, license number, and signature of the person conducting the inspection.

(c) This Section does not limit home inspectors from:

(1) Reporting observations and conditions, including safety or habitability concerns, or rendering opinions of items in addition to those required in Paragraph (b) of this Rule; or

(2) Excluding systems and components from the inspection if requested by the client, and so stated in the written contract.

Old Language February 1, 2014

.1011 FEE SCHEDULE

(a) The following fees apply to the licensure of home inspectors:

- Application for Home Inspector License \$35.00
- Application for Associate Home Inspector License \$20.00
- Home Inspector Examination \$80.00
- Initial Issuance or Annual Renewal of Home Inspector License \$160.00
- Initial Issuance or Annual Renewal of Associate Home Inspector License \$110.00
- Late Renewal Penalty Fee - Home Inspector License \$30.00
- Late Renewal Penalty Fee - Associate Home Inspector License \$20.00
- Copies of Board Rules and License Standards \$5.00

(b) The home inspector and the associate home inspector initial issuance license fees are due after successful completion of the examination. The Board shall not issue a license until it receives the appropriate fee. The license is valid from the date of issue until the following September 30.

October 1, 2014

New Language

.1011 FEE SCHEDULE

(a) The following fees apply to the licensure of home inspectors:

Application for Home Inspector License	\$35.00
Home Inspector Examination	\$80.00
Initial Issuance or Annual Renewal of Home Inspector License	\$160.00
Late Renewal Penalty Fee - Home Inspector License	\$30.00
Copies of Board Rules and License Standards	Cost of printing
Unapproved Continuing Education Course	\$50.00

(b) The home inspector initial issuance license fees are due after successful completion of the examination. The Board shall not issue a license until it receives the appropriate fee. The license is valid from the date of issue until the following September 30.

October 1, 2014

Old Language February 1, 2014

- **.1020 DEFINITIONS**
- (a) As used in Rules .1020 through .1028 of this Section:
- "Course Sponsor" means a person approved by the Board to conduct home inspection prelicensing courses.
- "Credit hour" means one continuing education course hour, comprising at least 50 minutes of instruction.
- "License period" means October 1 through the following September 30.
- "Licensee" means a home inspector or associate home inspector licensed by the Board under G.S. 143, Article 9F.
- "Person" means an individual, partnership, firm, association, corporation, joint-stock company, trust, any similar entity, or any combination of the foregoing acting in concert.
- (b) The definitions contained in G.S. 143-151.45 apply to this Section.

October 1, 2014

New Language

- **.1020 DEFINITIONS**
- (a) As used in Rules .1020 through .1028 of this Section:
- "Course Sponsor" means a person approved by the Board to conduct home inspection prelicensing courses.
- "Credit hour" means one continuing education course hour, comprising at least 50 minutes of instruction.
- "License period" means October 1 through the following September 30.
- "Licensee" means a home inspector licensed by the Board under G.S. 143, Article 9F.
- "Person" means an individual, partnership, firm, association, corporation, joint-stock company, trust, any similar entity, or any combination of the foregoing acting in concert.
- (b) The definitions contained in G.S. 143-151.45

Old Language February 1, 2014

- **.1201 DEFINITIONS**
- The following definitions are used in this Section:
 - The definitions in GS 143-151.45 are incorporated into this Section by reference. "Associate home inspector" is included where reference is made to "home inspector" or "licensee".
 - "File or filing" means to place the paper or item to be filed into the care and custody of the presiding officer, and acceptance thereof by him, except that the Board may permit the papers to be filed with the Board, in which event the Board shall note thereon the filing date. All documents filed with the presiding officer or the Board, except exhibits, shall be duplicate in letter size 8 1/2" by 11".
 - "Party" means the Board, the licensee, or an intervenor who qualifies under GS 150B-38(f). "Party" does not include a complainant unless the complainant is allowed to intervene under GS 150B-38(f).
- "Service or serve" means personal delivery or, unless otherwise provided by law or rule, delivery by first class United States Postal Service mail or a licensed overnight express mail service, addressed to the person to be served at his or her last known address. A Certificate of Service meeting the requirements of G.S. 1A-1, Rule 5(b1) by the person making the service shall be appended to every document requiring service under these rules. Service by mail or licensed overnight express mail is complete upon addressing, enveloping, and placing the item to be served, in an official depository of the United States Postal Service or delivering the item to an agent of an overnight express mail service.

October 1, 2014

New Language

.1201 DEFINITIONS

(a) As used in this Section:

- (1) “Party” means the Board, the licensee, or an intervenor who qualifies under G.S. 150B-38(f). “Party” does not include a complainant unless the complainant is allowed to intervene under G.S. 150B-38(f).
- (2) “Service or serve” means personal delivery or, unless otherwise provided by law or rule, delivery by first class United States Postal Service mail or licensed overnight express mail service, addressed to the person to be served at his or her last known address. A Certificate of Service meeting the requirements of G.S. 1A-1, Rule 5(b1) by the person making the service shall be appended to every document requiring service under these Rules. Service by mail or licensed overnight express mail is complete upon addressing, enveloping, and placing the item to be served in an official depository of the United States Postal Service or delivering the item to an agent of an overnight express mail service.

(b) The definitions contained in G.S. 143-151.45 apply to this Section.

Old Language February 1, 2014

.1301 DEFINITIONS

(a) As used in this Section:

- (1) "Credit hour" means one continuing education course hour, comprising at least 50 minutes of instruction.
- (2) "License period" means October 1 through the following September 30.
- (3) "Licensee" means a home inspector associate home inspector licensed by the Board under G.S. 143, Article 9F and Section .1000 of this Chapter.
- (4) "Person" means an individual, partnership, firm, association, corporation, joint-stock company, trust, any similar entity, or any combination of the foregoing acting in concert.

(b) The definitions contained in G.S. 143-151.45 apply to this Section.

October 1, 2014

New Language

- **.1301 DEFINITIONS**
- (a) As used in this Section:
 - (1) "Credit hour" means one continuing education course hour, comprising at least 50 minutes of instruction.
 - (2) "License period" means October 1 through the following September 30.
 - (3) "Licensee" means a home inspector licensed by the Board under G.S. 143, Article 9F and Section .1000 of this Chapter.
 - (4) "Person" means an individual, partnership, firm, association, corporation, joint-stock company, trust, any similar entity, or any combination of the foregoing acting in concert.
- (b) The definitions contained in G.S. 143-151.45 apply to this Section.

Old Language February 1, 2014

- **.1302 CONTINUING EDUCATION REQUIRED FOR RENEWAL OF ACTIVE LICENSE**
- (a) In order to renew an active home inspector or associate home inspector license for license renewal periods beginning on or after October 1, 2011, the licensee shall have completed, during the license renewal period, 16 credit hours, except as described in Paragraph (b) of this Rule.
- (b) In order to renew an active home inspector license for license renewal periods beginning on or after October 1, 2011, inspectors who are newly licensed on or after October 1, 2011, who have not completed the pre-licensing education program established pursuant to G.S. 143-151.51(a)(5)a., or its equivalent pursuant to 11 NCAC 08.1004(c), must complete 20 hours of continuing education per year for the first three years of licensure that include the following:
 - Four hours of a Board approved mandatory course;
 - Four hours of the update course component described in 11 NCAC 08.1309; and
 - 12 hours of Board approved elective courses.
- A licensee who is newly licensed on or after June 1 is exempt from this Section for the initial license period.

October 1, 2014

New Language

- **.1302 CONTINUING EDUCATION REQUIRED FOR RENEWAL OF ACTIVE LICENSE**
- (a) In order to renew an active home inspector or associate home inspector license for license renewal periods beginning on or after October 1, 2014, the licensee shall complete 12 credit hours during the license renewal period, except as described in Paragraph (b) of this Rule.
- (b) In order to renew an active home inspector license for license renewal periods beginning on or after October 1, 2014, home inspectors who are newly licensed on or after October 1, 2014, who have not completed the pre-licensing education program established pursuant to G.S. 143-151.51(a)(5)a., or its equivalent pursuant to 11 NCAC 08.1004(c), must complete 16 hours of continuing education per year for the first three years of licensure that include the following:
 - (1) Four hours of a Board approved course consisting of the following:
 - (A) for the first year, a Board approved course on the Standards of Practice and Report Writing; and
 - (B) for each of the second and third years, a Board approved course of the home inspector's choosing.
 - (2) Four hours of the update course component described in Rule .1309 of this Chapter; and (3) Eight hours of Board approved elective courses.
- (c) A licensee who is newly licensed on or after June 1 is exempt from this Section for the initial license period.

Old Language February 1, 2014

- **.1318 ELECTIVE COURSE COMPONENT**

- (a) To renew a license on active status, a licensee shall complete 12 classroom hours of instruction in three or more Board approved elective courses within one year preceding license expiration and in addition to satisfying the continuing education mandatory update course requirement described in Rule .1309 of this Section.
- (b) Approval of an elective course requires approval of the sponsor and instructor(s) as well as the course itself. Such approval authorizes the sponsor to conduct the approved course using the instructor(s) who have been found by the Board to satisfy the instructor requirements set forth in Rule .1322 of this Section. The sponsor may conduct the course at any location as frequently as is desired during the approval period. However, the sponsor may not conduct any session of an approved course for home inspector continuing education purposes between September 10 and September 30, inclusive, of any approval period.

October 1, 2014

New Language

- **.1318 ELECTIVE COURSE COMPONENT**
- (a) License Requirements: To renew a license on active status, a licensee shall complete eight classroom hours of instruction in two or more Board approved elective courses within the licensure period in addition to satisfying the continuing education mandatory update course requirement described in Rule .1309 of this Section.
- (b) Sponsor Requirements: The Approval of an elective course requires approval of the sponsor and instructor(s) as well as the course itself. The approval authorizes the sponsor to conduct the approved course using the instructor(s) who have been found by the Board to satisfy the instructor requirements set forth in Rule .1322 of this Section. The sponsor may conduct the course at any location as frequently as is desired during the approval period. However, the sponsor may not conduct any session of an approved course for home inspector continuing education purposes between September 10 and September 30, inclusive, of any approval period.

N.C. General Statutes

§ 143-151.45 Definitions

- (4) Home inspection. – A written evaluation of two or more of the following components of a residential building: heating system, cooling system, plumbing system, electrical system, structural components, foundation, roof, masonry structure, exterior and interior components, or any other related residential housing component.
- (5) Home inspector. – An individual who engages in the business of performing home inspections for compensation.

N.C. General Statutes

§ 143-151.50 License required to perform home inspections for compensation or to claim to be a “licensed home inspector”.

- (a) Requirement. – To perform a home inspection for compensation or to claim to be a licensed home inspector, an individual must be licensed by the Board. An individual who is not licensed by the Board may perform a home inspection without compensation.
- (b) Form of License. – The Board may issue a license only to an individual and may not issue a license to a partnership, an association, a corporation, a firm, or another group. A licensed home inspector, however, may perform home inspections for or on behalf of a partnership, an association, a corporation, a firm, or another group, may conduct business as one of these entities, and may enter into and enforce contracts as one of these entities.

N.C. General Statutes

§ 143-151.58 Duties of licensed home inspector

(a) Home Inspection Report. – A licensed home inspector must give to each person for whom the inspector performs a home inspection for compensation a written report of the home inspection. The inspector must give the person the report by the **date set in a written agreement** by the parties to the home inspection. If the parties to the home inspection did not agree on a date in a **written agreement**, the inspector must give the person the report within three business days after the inspection was performed.

CONTRACTS

The Contract

The contract is the first step in the home inspection process. Section .1103 (b) of the Standard of Practice describes the required contract content and informs the inspector that the contract must be signed by the client before the inspection.

Let's explore the Section .1103 (b)

.1103 PURPOSE AND SCOPE

(a) Home inspections performed according to this Section shall provide the client with an understanding of the property conditions, as inspected *at the time of the home inspection*.

(b) Home inspectors shall:

(1) Provide a written **contract**, signed by the client, before the home inspection is performed **that shall**:

(A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board as set forth in this Section;

(B) Describe what services shall be provided and their cost; and

(C) State, when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.

.1103 PURPOSE AND SCOPE

(a) Home inspections performed according to this Section shall provide the client with an understanding of the property conditions, as inspected *at the time of the home inspection*.

(b) Home inspectors shall:

(1) Provide a written contract, signed by the client,

before the home inspection is performed that shall:

(A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board;

(B) Describe what services shall be provided and their cost; and

(C) State, when an inspection is for only one or a limited number of systems or components, that *the* inspection is limited to only those systems or components.

.1103 PURPOSE AND SCOPE

(a) Home inspections performed according to this Section shall provide the client with an understanding of the property conditions, as inspected *at the time of the home inspection*.

(b) Home inspectors shall:

(1) Provide a written **contract**, signed by the client, before the home inspection is performed that **shall:**

(A) **State** that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board;

(B) Describe what services shall be provided and their cost; and

(C) State, when an inspection is for only one or a limited number of systems or components, that *the* inspection is limited to only those systems or components.

.1103 PURPOSE AND SCOPE

(a) Home inspections performed according to this Section shall provide the client with an understanding of the property conditions, as inspected *at the time of the home inspection*.

(b) Home inspectors shall:

(1) Provide a written **contract**, signed by the client, before the home inspection is performed that **shall**:

(A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board;

(B) Describe what **services** shall be provided and their **cost**;
and

(C) State, when an inspection is for only one or a limited number of systems or components, that *the* inspection is limited to only those systems or components.

.1103 PURPOSE AND SCOPE

(a) Home inspections performed according to this Section shall provide the client with an understanding of the property conditions, as inspected *at the time of the home inspection*.

(b) Home inspectors shall:

(1) Provide a written **contract**, signed by the client, before the home inspection is performed that **shall**:

(A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board;

(B) Describe what services shall be provided and their cost; and

(C) **State**, when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.

.1103 Purpose and Scope

(b) Home inspectors shall:

(1) Provide a **written contract**, signed by the client, **before** the home inspection is performed that **shall**:

(A) **State** that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board;

(B) **Describe** what services shall be provided and their cost; and

(C) **State** when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.

Before the Inspection!



This contract is for a home inspection based on SOP of NCHIB.



Cost of Home Inspection



Statements included for limited inspections



Client Signature

The Contract

(c) This Section does not limit home inspectors from:

(1) Reporting observations and conditions or rendering opinions of items in addition to those required in Paragraph (b) of this Rule; or

(2) Excluding systems and components from the inspection if requested by the client, and so stated in the written contract.

Why is a contract necessary?

- Establish the agreement the parties have made to fix their rights and duties per the agreement.
- Set expectations of performance.
- *“Statutes prescribe and restrict the terms of a contract where the general public is affected.”*
- Contracts by competent persons, equitably made, are valid and enforceable through the courts.
- Express
- Implied

Agency

- Contracts signed by buyers agents?
- Military
- Out of state buyers, etc.
- Spouses
- Additional services
- Specific exclusions

Board Rule

.1103 PURPOSE AND SCOPE

(b) Home Inspectors shall:

- (1) Provide a **written contract, signed by the client, before** the home inspection is performed that shall:
 - (A) State that the home inspection is **in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board** as set forth in this Section;
 - (B) Describe what **services shall be provided and the cost**; and
 - (C) State, when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.

Electronic Signatures

The N.C. General Assembly in Session Law 2000-152, Senate Bill 1266, adopted the Uniform Electronic Transactions Act (UETA). The UETA is codified in N.C. Gen. Stat. §66-308

The term “electronic signature” means an electronic sound, symbol, or process, attached to or logically associated with a **contract** or other record and executed or adopted by a person with the intent to sign the record.

Interpretation on Board website

http://www.ncdoi.com/OSFM/Engineering_and_Codes/Documents/HILT_Documents/Interpretations/ElectronicSignatures.pdf

N.C.G.S. § 66-308.8 provides as follows:

- (a) An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable.
- (b) The effect of an electronic record or electronic signature attributed to a person under subsection (a) of this sections is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement, if any, and otherwise as provided by law.

The UETA is applicable to certain transactions. A transaction, for purposes of the act is defined to mean “an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs.” N.C.G.S. § 66-308.1(17).

DIFFERENT CONTRACTS?

- Pre-Purchase Inspection Agreement
- Real Estate inspection agreement
- Limited inspection agreement
- Reinspection vs addendum to original report?

Typical provisions

- The home inspection shall be performed
- **Waiver of confidentiality**

Disciplinary Actions

Disciplinary Actions

NC Gen. Stat. § 143-151.49 Powers and responsibilities of the Board

(a) General. – The Board has the power to do all of the following:

- 1) Examine and determine the qualifications and fitness of applicants for a new or renewed license.
- 2) Adopt and publish a code of ethics and standard of practice for persons licensed under this Article.
- 3) Issue, renew, deny, revoke, and suspend licenses under this Article.
- 4) Conduct investigations, subpoena individuals and records, and do all other things necessary and proper to discipline persons licensed under this Article and to enforce this Article.
- 5) Employ professional, clerical, investigative, or special personnel necessary to carry out the provisions of this Article.
- 8) Conduct administrative hearings in accordance with Article 3A of Chapter 150B of the General Statutes.

Disciplinary Actions

NC Gen. Stat. § 143-151.56 Suspension, revocation, and refusal to renew license

- (a) The Board **may deny or refuse to issue or renew a license, may suspend or revoke a license, or may impose probationary conditions on a license** if the license holder or applicant for licensure has engaged in any of the following conduct:
- 1) Employed fraud, deceit, or misrepresentation in obtaining or attempting to obtain or renew a license.
 - 2) Committed an act of malpractice, gross negligence, or incompetence in the practice of home inspections.
 - 3) Without having a current license, either performed home inspections for compensation or claimed to be licensed.
 - 4) Engaged in conduct that could result in harm or injury to the public.
 - 5) Been convicted of or pled guilty or nolo contendere to any misdemeanor involving moral turpitude or to any felony.
 - 6) Been adjudicated incompetent.
 - 7) Engaged in any act or practice that violates any of the provisions of this Article or any rule issued by the Board, or aided, abetted, or assisted any person in a violation of any of the provisions of this Article.
 - 8) Failed to maintain the requirements provided in G.S. 143-151.58(b).
- (b) **A denial of licensure, refusal to renew, suspension, revocation, or imposition of probationary conditions upon a license holder may be ordered by the Board after a hearing held in accordance with Article 3A of Chapter 150B of the General Statutes and rules adopted by the Board.** An application may be made to the Board for reinstatement of a revoked license if the revocation has been in effect for at least one year.

BEGINS WITH A COMPLAINT

.1202 COMPLAINTS

- a) Anyone who believes that a licensee is or has been engaged in any conduct set out in GS 143-151.56(a) may file a written complaint against that licensee.
- b) A Complaint Memo containing instructions for filing the complaint is available through the NC Home Inspector Licensure Board website at www.nchilb.com or by contacting the NC Home Inspector Licensure Board.
- c) The complaint shall identify the licensee and describe the conduct complained of as set forth in G.S. 143-151.56(a).
- d) A copy of the contract agreement, the inspection report, and any reports made by other consultants shall be included with the complaint.
- e) The complaint shall be in writing, signed by the complainant, and dated. The complaint shall include the complainant's mailing address and a daytime phone number at which the complainant may be reached. The street address of the structure must be included if the complaint pertains to an inspection of a structure.
- f) Supporting information shall be included to justify the complaint. Supporting information shall refer to violations of the Board's rules or of the General Statutes. If the complaint involves items included in the Standards of Practice that the licensee did not observe, a list of those items may be submitted with the complaint. This information may be provided by the complainant, an architect, professional engineer, licensed contractor, another licensed home inspector, or other person with knowledge of the Standards of Practice.
- g) The Board shall not consider services that are under the jurisdiction of other regulatory agencies or licensing boards, such as termite inspections; appraisals; or services rendered by licensed architects, engineers, or general contractors, unless the persons rendering those services claim to be home inspectors.
- h) The Board has no jurisdiction over persons who make specialized inspections as part of their repair or maintenance businesses, such as roofing repair contractors, chimney sweeps, duct cleaning, and interior environment specialists.
- i) The Board members or the Board staff may initiate an investigation without a written complaint when there is cause to believe that a licensee is or has been engaged in any conduct set out in G.S. 143-151.56(a).

Complaint Form



**Adobe Acrobat
Document**

INVESTIGATION BY STAFF

.1204 INVESTIGATION

- a) On receipt of a complaint conforming to this Section, the Engineering and Codes Division shall conduct an investigation.
- b) A copy of the complaint and supporting information as set forth in Rule .1202(d) and (f) of this Section shall be mailed to the home inspector. The home inspector shall submit a written response to the Engineering and Codes Division within two weeks after receipt of the copy of the complaint.
- c) Upon completion of the investigation, the Board's Investigation Review Committee ("Committee") shall make a determination of whether there is sufficient evidence to support a violation of G.S. 143-151.56(a). Based on its determination, the Committee may:
 - (1) recommend to the Board that the complaint be dismissed;
 - (2) recommend to the Board to dismiss the complaint and a letter of caution be issued to the home inspector;
 - (3) recommend to the Board that the complaint be resolved by consent agreement if the home inspector agrees to the terms of the consent agreement; or
 - (4) recommend to the Board to establish a time and place for a disciplinary hearing and give notice to the home inspector and complainant. Prior to the matter's being heard and determined by the Board, it may be resolved by consent agreement with the approval of the Board.
- d) The Committee shall notify the complainant and the home inspector of its determination.

DISMISS / LETTER OF CAUTION?

Investigation report: Insufficient evidence

CONSENT AGREEMENT?

- Investigation report: Sufficient evidence
 - Licensee agrees
 - Licensee disagrees
- Proposed terms and conditions
 - Revoke License
 - Suspend License
 - Probation
 - Letter of Reprimand

CONSENT AGREEMENT?

.1208 CONSENT AGREEMENT

- (a) The Board's staff and the home inspector may attempt to resolve the complaint by means of a consent agreement. Such consent agreement may impose upon the licensee a penalty, or penalties, including the following: requiring the licensee to take training or educational courses, probation, letter of reprimand, suspension of license, or revocation of license.
- (b) The proposed consent agreement shall then be presented to the Board at the next meeting. The Board may either accept the consent agreement as written, modify the consent agreement and send it back to the licensee for agreement, or reject the consent agreement.

Lessons Learned?

- Many licensing board's newsletters include summaries of disciplinary actions against licensees.
 - NCREC
 - NCLBGC
 - NCBEES
 - NCBELS
- Learning organization

Sufficient Evidence

- Committee asserts there is sufficient evidence to support the allegation and recommends to the Board a Consent Agreement, if HI consents;

OR

- Committee asserts there is sufficient evidence to support the allegation and recommends a disciplinary hearing.

The standard of practice violations are categorized as follows:

- Failing to Describe
- Failing to Identify
- Failing to Inspect
- Failing to Report
- Failing to Operate
- Failing to Provide
- Failing to Probe

The applicable rule citation follows the violation.

Ethical Violations

- Disclosing information about the result of an inspection without approval of the client (.1116(c));
- Failing to discharge duties with fidelity to the public, clients, and with fairness and impartiality to all;
- Engaging in false or misleading advertising or otherwise misrepresenting matters to the public;
- Failing to disclose to the client any interest in a business that may affect the client, prior to the execution of a contract;

Voluntary Surrender of License

License is property of the board



North Carolina Home Inspector Licensure Board

Voluntary Surrender of Home Inspector's License

I, _____, hereby voluntarily surrender the license (number _____) issued to me by the North Carolina Home Inspector Licensure Board effective immediately. I understand and acknowledge that effective immediately, I can no longer act as a home inspector in North Carolina, in any manner.

I understand my right to consult with an attorney prior to the execution of this voluntary surrender of my license. This license is being surrendered without duress and with knowledge of due process.

Surrendered this the _____ day of _____, 2014.

Signature

Sworn to and subscribed before me

this the _____ day of _____, 2011.

(signature)

(printed name)

Notary Public

My commission expires: _____

NO CONSENT AGREEMENT / OPTION?

Administrative Procedures Act

Hearing – similar to a trial in civil court except, heard by the board, may ask questions, rules of evidence

NOTICE OF HEARING

.1205 DISCIPLINARY HEARING

The disciplinary hearing shall be held in accordance with GS 150B, Article 3A and this Section.

CONTESTED CASE HEARING

.1209 FINAL BOARD ORDER

- (c) Contested case hearings shall be recorded either by a recording system or a professional court reporter using steno mask or stenotype.

Board Appointees

- Governor
 - One home inspector, one licensed general contractor and one licensed real estate agent
- President Pro Tempore of the Senate
 - Two home inspectors
- Speaker of the House of Representatives
 - One home inspector, one public member
- Commissioner of Insurance
 - Designee

Severity?

- Structural – report the house is structurally sound when it is not.
- Roof – report the roof is in good shape when it leaks.
- Electrical – personal injury or property damage from shock or fire hazard.
- Plumbing
- Heating & A/C

Probationary Conditions

- Additional Education
- Improve Home Inspection Report form
- Submit Home Inspection Report for review for compliance with SOP
- Write newsletter article, importance of licensure

Unlicensed Inspectors

§ 143-151.59 Violation is a misdemeanor.

A person who violate a provision of this Article is guilty of a Class 2 misdemeanor. Each unlawful act or practice constitutes a distinct and separate offense.

§ 143-151.60 Injunctions.

The Board may make application to any appropriate court for an order enjoining violations of this Article. Upon a showing by the Board that any person has violated or is about to violate this Article, the court may grant an injunction or a restraining order or take other appropriate action.

Unlicensed Inspectors

- Obtaining property by false pretense
 - Misdemeanor
 - Felony



Report Writing Compliance

DDID

SPECIAL NOTE: Effective Oct. 1, 2014, Board Rule .1103 revised to track Summary requirements in NC Gen. Stat. § 143-151.58(a1) that were effective Oct. 1, 2011.

(a1) Summary Page. – A written report provided under subsection (a) of this section for a prepurchase home inspection of three or more systems must include a summary page that contains the information required by this subsection. All other subject matters pertaining to the home inspection must appear in the body of the report. The summary page must contain the following statement: "This summary page is not the entire report. The complete report may include additional information of interest or concern to you. It is strongly recommended that you promptly read the complete report. For information regarding the negotiability of any item in this report under the real estate purchase contract, contact your North Carolina real estate agent or an attorney."

The summary page must describe any system or component of the home that does not function as intended, allowing for normal wear and tear that does not prevent the system or component from functioning as intended. The summary page must also describe any system or component that appears not to function as intended, based upon documented tangible evidence, and that requires either subsequent examination or further investigation by a specialist. The summary page may describe any system or component that poses a safety concern.

CONSIDERATIONS?

- Buyer:
 - Importance / severity of condition noted and bearing on their decision to purchase?
- Seller
 - Impact to sale of property?

OLD RULE

.1103 PURPOSE AND SCOPE

- (a) Home inspections performed according to this Section shall provide the client with a better understanding of the property conditions, as inspected at the time of the home inspection.
- (b) Home inspectors shall:
 - (1) Provide a written contract, signed by the client, before the home inspection is performed that shall:
 - (A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board;
 - (B) Describe what services shall be provided and their cost; and
 - (C) State, when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.
 - (2) Inspect readily visible and readily accessible installed systems and components listed in this Section; and
 - (3) Submit a written report to the client that shall:
 - (A) Describe those systems and components required to be described in Rules .1106 through .1115 of this Section;
 - (B) State which systems and components present at the home and designated for inspection in this Section were not inspected, and the reason for not inspecting;
 - (C) State any systems or components so inspected that do not function as intended, allowing for normal wear and tear, or adversely affect the habitability of the dwelling;
 - (D) State whether the condition reported requires repair or subsequent observation, or warrants further investigation by a specialist. The statements shall describe the component or system and how the condition is defective, explain the consequences of the condition, and direct the recipient to a course of action with regard to the condition or refer the recipient to a specialist; and
 - (E) State the name, license number, and signature of the person supervising the inspection and the name, license number, and signature of the person conducting the inspection.
- (c) This Section does not limit home inspectors from:
 - (1) Reporting observations and conditions or rendering opinions of items in addition to those required in Paragraph (b) of this Rule; or
 - (2) Excluding systems and components from the inspection if requested by the client, and so stated in the written contract.

NEW RULE

.1103 PURPOSE AND SCOPE

- (a) Home inspections performed according to this Section shall provide the client with a better understanding of the property conditions, as inspected at the time of the home inspection.
- (b) Home inspectors shall:
- (1) Provide a written contract, signed by the client, before the home inspection is performed that shall:
 - (A) State that the home inspection is in accordance with the Standards of Practice of the North Carolina Home Inspector Licensure Board as set forth in Section .1100 of Chapter 8;
 - (B) Describe what services shall be provided and the cost; and
 - (C) State, when an inspection is for only one or a limited number of systems or components, that the inspection is limited to only those systems or components.
 - (2) Inspect readily visible and readily accessible installed systems and components described in Rules .1106 through .1115; and
 - (3) Submit a written report and summary, pursuant to G. S. 143-151.58(a1) to the client that shall:
 - (A) Describe those systems and components required to be described in Rules .1106 through .1115 of this Section;
 - (B) State which systems and components present at the home and designated for inspection in this Section were not inspected, and the reason for not inspecting;
 - (C) State any systems or components ~~so~~ inspected that do not function as intended, allowing for normal wear and tear, or appear not to function as intended, based upon documented tangible evidence;
 - (D) ~~State whether the condition reported requires repair or subsequent observation, or warrants further investigation by a specialist.~~ Describe the system or component; state how the condition is defective, explain the implications of the condition listed in the summary; and direct the client to a course of action for repair, further investigation by a specialist, or subsequent observation; and
 - (E) State the name, license number, and signature of the person ~~supervising the inspection and the name, license number, and signature of the person~~ conducting the inspection.
- (c) This Section does not limit home inspectors from:
- (1) Reporting observations and conditions, including safety or habitability concerns, or rendering opinions of items in addition to those required in Paragraph (b) of this Rule; or
 - (2) Excluding systems and components from the inspection if requested by the client, and so stated in the written contract.

.1103 PURPOSE AND SCOPE

Old Language
October 1, 2011

(3) Submit a written report to the client that shall:
(C) State any systems or components so inspected that do not function as intended, allowing for normal wear and tear, or adversely affect the habitability of the dwelling;

Current Language
Effective October 1, 2014

(3) Submit a written report to the client that shall:
(C) State any systems or components ~~so~~ inspected that do not function as intended, allowing for normal wear and tear, or appear not to function as intended, based upon documented tangible evidence;

.1103 PURPOSE AND SCOPE

Old Language October 1, 2011

(3) Submit a written report to the client that shall:
(D) State whether the condition reported requires repair or subsequent observation, or warrants further investigation by a specialist. The statements shall describe the component or system and how the condition is defective, explain the consequences of the condition, and direct the recipient to a course of action with regard to the condition or refer the recipient to a specialist; and

Current Language *Effective* October 1, 2014

(3) Submit a written report to the client that shall:
(D) **Describe** the system or component; state how the condition is **defective**, explain the **implications** of the condition listed in the summary; and **direct** the client to a course of action for repair, further investigation by a specialist, or subsequent observation; and

.1103 PURPOSE AND SCOPE

Current Language
Effective October 1, 2014

(3) Submit a written report to the client that shall:

(C) State any systems or components inspected that do not function as intended, allowing for normal wear and tear, or appear not to function as intended, based upon documented tangible evidence;

(D) **Describe** the system or component; state how the condition is **Defective**, explain the **Implications** of the condition listed in the summary; and **Direct** the client to a course of action for repair, further investigation by a specialist, or subsequent observation; and

DDID

Describe the system or component; state how the condition is **Defective**, explain the **Implications** of the condition listed in the summary; and **Direct** the client to a course of action for repair, further investigation by a specialist, or subsequent observation;



In the report Body:

Every defect or implied defect must be presented in the report in the...

DDID format...no exceptions.

Client Considerations

The client must evaluate the report to cultivate a understanding of the home.

The client must investigate each **DDID** statement to understand the bearing each defect or implied defect will have on their decision to buy or sell the home.

What questions should the **DDID** answer?

DDID

DESCRIPTION:

What system or component is involved?

DEFECT:

What is defective? or

What appears to be defective?

IMPLICATION:

From the tangible evidence can the severity or level of concern be determined or implied?

DIRECTION:

Is repair, further investigation by a specialist, or subsequent observation needed?

DDID

The sink (D) is leaking (D). Repair is needed(D).

Description	Determination	Implication	Direction
The sink	is leaking		repair is needed

The Client's Point of View

The sink is leaking.

1. Which sink? Kitchen? Bathroom? Laundry?
2. Is there only one sink?

DDID

The kitchen sink (D) is leaking (D).

Repair is needed(D).

Description	Determination	Implication	Direction
The sink	is leaking		repair is needed
The kitchen sink	is leaking		repair is needed

The Client's Point of View

The kitchen sink is leaking.

1. Is the leak from the supply line?
2. Is the leak from the drain line?
3. Is a specialist needed?

DDID

The drain for the kitchen sink (D) is leaking (D). A licensed plumbing contractor should be consulted to make necessary repairs(D).

Description	Determination	Implication	Direction
The sink	is leaking		repair is needed
The kitchen sink	is leaking		repair is needed
The drain for the kitchen sink	is leaking		repair is needed Consult a plumber

The Client's Point of View

The drain for the kitchen sink is leaking.

1. How significant is the leak?
2. Is it a drip? Or more?
3. Does tangible evidence suggest the location of the leak?

DDID

The drain for the kitchen sink (D) drips at the connection to the sink basin when the sink is filled (D). A licensed plumbing contractor should be consulted to make necessary repairs (D).

Description	Determination	Implication	Direction
The sink	is leaking		repair is needed
The kitchen sink	is leaking		repair is needed
The drain for the kitchen sink	is leaking		repair is needed Consult a plumber
The drain for the kitchen sink	drips at the connection to the sink basin when the sink is filled.		repair is needed Consult a plumber

The Client's Point of View

The drain for the kitchen sink drips at the connection to the sink basin when the sink is filled.

1. Did the leak intensity change when the dishwasher was operated?
Disposal?
2. What is the urgency of the repair?

DDID

The drain for the kitchen sink (D) drips at the connection to the sink basin when the sink is filled (D). The drip changes to a streaming leak when the dishwasher drains (D). Plumbing leaks should be repaired as soon as possible to prevent damage to adjacent building components such as the cabinet and floor systems (I). A licensed plumbing contractor should be consulted to make necessary repairs (D).

Description	Determination	Implication	Direction
The sink	is leaking		repair is needed
The kitchen sink	is leaking		repair is needed
The drain for the kitchen sink	is leaking		repair is needed Consult a plumber
The drain for the kitchen sink	drips at the connection to the sink basin when the sink is filled.		repair is needed Consult a plumber
The drain for the kitchen sink	drips at the when the sink is filled and leaks heavily when dishwasher drains .	Repairs should be made as soon as possible to prevent damage.	repair is needed Consult a plumber

The Client's Point of View

The drain for the kitchen sink drips at the connection to the sink basin when the sink is filled. The drip changes to a streaming leak when the dishwasher drains.

1. Does evidence suggest water penetration to building components?
2. Does evidence suggest the severity?
3. Is the statement written in the correct order of concern?

DDID

The drain for the kitchen sink (D) leaks heavily when the dishwasher drains, a dripping leaks was also noted at the drain connection to the sink basin when the sink is filled. (D). Plumbing leaks should be repaired as soon as possible to prevent damage to adjacent building components such as the cabinet and floor systems (I). A licensed plumbing contractor should be consulted to make necessary repairs (D).

Description	Determination	Implication	Direction
The sink	is leaking		repair is needed
The kitchen sink	is leaking		repair is needed
The drain for the kitchen sink	is leaking		repair is needed Consult a plumber
The drain for the kitchen sink	drips at the connection to the sink basin when the sink is filled.		repair is needed Consult a plumber
The drain for the kitchen sink	leaks heavily when dishwasher drains , small drip noted when sink was filled.	Repairs should be made as soon as possible to prevent damage.	repair is needed Consult a plumber

Implication

Plumbing leaks should be repaired as soon as possible to prevent damage to adjacent building components such as the cabinet and floor systems (I).

The Client's Point of View

What is the significance of this concern?

1. Is the repair an immediate concern?
2. Why should the client be concerned?

DDID

The drain for the kitchen sink (D) leaks heavily when the dishwasher drains, a dripping leaks was also noted at the drain connection to the sink basin when the sink is filled (D). Plumbing leaks should be repaired as soon as possible to prevent damage to adjacent building components such as the cabinet and floor systems (I). A licensed plumbing contractor should be consulted to make necessary repairs (D).

The Client's Point of View

What is the significance of this concern?

1. Are there any related concerns?
2. Is the cabinet stained? Damaged?

STATEMENTS & OPINIONS BEYOND THE SOP?

(c) This Section does not limit home inspectors from:

- (1) Reporting observations and conditions, including safety or habitability concerns, or rendering opinions of items in addition to those required in Paragraph (b) of this Rule;

When have you said too much?

Remember that including opinions in your report beyond the minimum requirements of the SOP must be based on your education, experience and honest convictions.

How your written report “reads” to others may be highly subjective. Be aware of language that may cause unwarranted alarm or be cited as evidence you were biased.

Standards of Practice Violations –

Consumer Complaints that Describe Defects or Deficiencies

Vs...

Investigation Discovery of Noncompliant Report

Standards of Practice Violations –

Failing to Describe:

- Failing to describe the wall, floor, ceiling, or roof structures (.1106)(a));
- Failing to describe the type of roof structure (.1106(b))(6);
- Failing to describe the type of floor structure; (.1106(b)(2));
- Failure to describe exterior wall cladding material (.1107(b)(1);
- Failing to describe ceiling (.1106(b)(5));





Standards of Practice Violations



Failing to Describe:

- Failing to properly describe drain, waste, vent piping, or plumbing distribution piping material (.1109(b)(2));
- Failing to describe water heating equipment location or location of main water supply shutoff device (.1109(b)(3));



Standards of Practice Violations

Failing to Describe:

- Failing to describe the foundation material (.1106(b)(1));
- Failing to describe type of foundation (.1106(b)(1));
- Failing to describe the basement floor and wall structure(.1106(b)(2) and (3));



Standards of Practice Violations

- Failing to describe foundation and porch cracks;



DDID

DESCRIPTION:

What system or component is involved?

DEFECT:

What is defective? or

What appears to be defective?

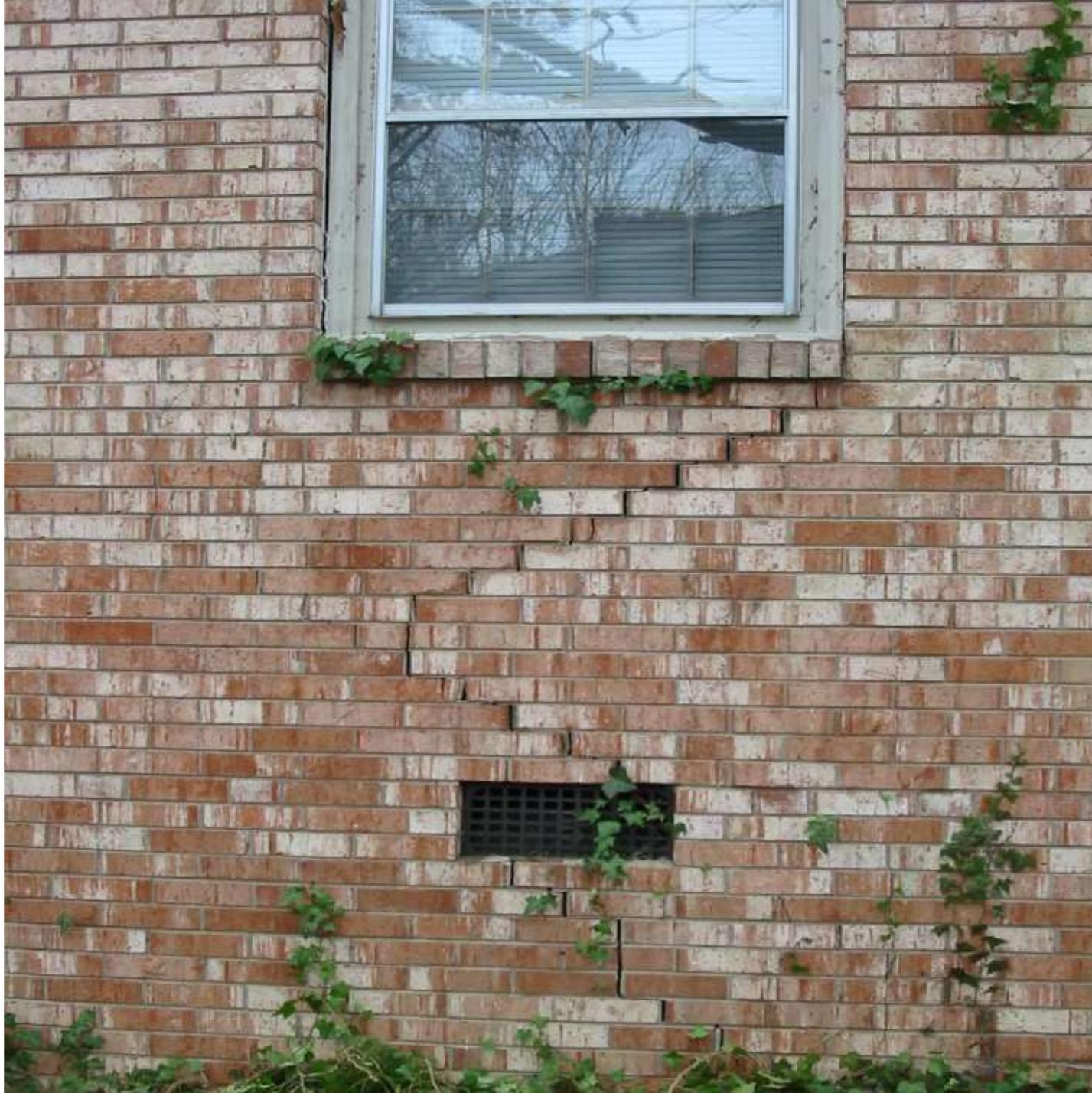
IMPLICATION:

From the tangible evidence can the severity or level of concern be determined or implied?

DIRECTION:

Is repair, further investigation by a specialist, or subsequent observation needed?

Student Workshop
Write Your Best DDID





The Direction And Implication

Review by an engineer to determine the implication of the observed condition.

Standards of Practice Violations

Failing to Inspect:

- Failing to personally inspect the heating and air conditioning systems (.1111 and .1112);

Standards of Practice Violations

Failing to Describe:

- Failing to describe heating equipment and distribution type (.1111(b)(2));
- Failing to describe the energy source of the heating components (.1111(b)(1));
- Failing to describe presence or absence of an installed heat source for each habitable space (.1111(a)(7));



Standards of Practice Violations

Failing to Describe:

- Failing to describe absence of an installed cooling source for each habitable space (.1112(a)(2)(B));
- Failing to describe energy source for the air conditioning(.1112((b)(1));
- Failing to describe the cooling equipment type(.1112(b)(2));



Standards of Practice Violations

- Failing to identify visible concerns with the furnace venting and refer to a licensed professional for further evaluation (.1103(b)(3)(C) and (D));



Standards of Practice Violations

- Failing to identify a detached duct;



Standards of Practice Violations

Failing to Inspect:

- Failing to inspect distribution panels, branch circuit conductors, their overcurrent devices, and the compatibility of their ampacities and voltages (.1110(a)(2) and (4));
- Failing to personally inspect the heating and air conditioning systems (.1111 and .1112);

Standards of Practice Violations

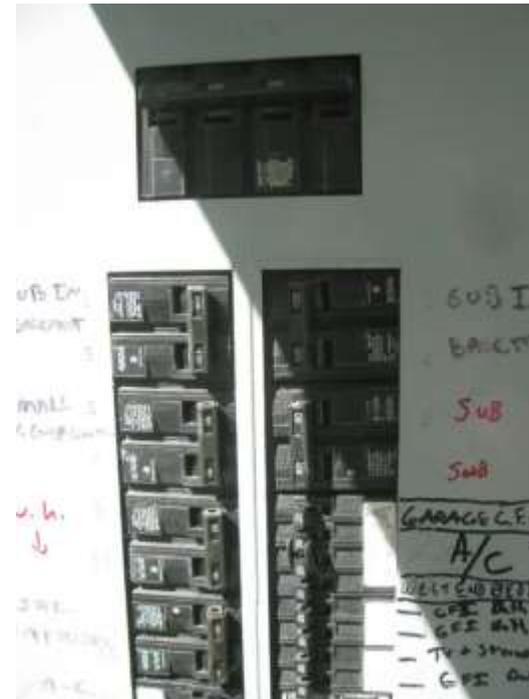
Failing to Describe:

- Failing to describe the location of the electrical main and distribution panels (.1110(b)(4));
- Failing to describe service entry conductor materials (.1110(b)(2));
- Failing to describe electrical service amperage and voltage (.1110(b)(1));
- Failing to describe whether electrical service is overhead or underground (.1110(b)(3));



Standards of Practice Violations

- Failing to identify branch circuit conductors, their overcurrent devices, and the compatibility of their ampacities and voltages;
- Failing to identify an un-terminated, exposed wire in the main electrical panel;



DDID

DESCRIPTION:

What system or component is involved?

DEFECT:

What is defective? or

What appears to be defective?

IMPLICATION:

From the tangible evidence can the severity or level of concern be determined or implied?

DIRECTION:

Is repair, further investigation by a specialist, or subsequent observation needed?

Student Workshop
Write Your Best DDID



Standards of Practice Violations

Failing to Describe:

- Failing to properly describe drain, waste, vent piping, or plumbing distribution piping material (.1109(b)(2));
- Failing to describe water heating equipment location or location of main water supply shutoff device (.1109(b)(3));



DDID

DESCRIPTION:

What system or component is involved?

DEFECT:

What is defective? or

What appears to be defective?

IMPLICATION:

From the tangible evidence can the severity or level of concern be determined or implied?

DIRECTION:

Is repair, further investigation by a specialist, or subsequent observation needed?

Student Workshop
Write Your Best DDID



Standards of Practice Violations

Failing to Describe:

- Failing to describe method used to observe the roof (.1108(b)(2));
- Failing to describe the type of roof structure and roof covering materials (.1106(b)(6) and .1108(b)(1));



Standards of Practice Violations

- Failing to report methods used to inspect the roofing (.1108(b)(2));
- Failing to report that the attic was not totally accessible (.1103(b)(3)(B));
- Failing to describe method used to inspect attic (.1106(c)(3));



Standards of Practice Violations

Failing to Describe:

- Failing to describe insulation in unfinished space (.1114(b)(1));
- Failing to describe absence of insulation in unfinished space at conditioned surfaces (.1114(b)(2));
- Failing to describe insulation in the attic (.1114(b));



Standards of Practice Violations

- Failing to describe fire damaged ceiling structure;



Standards of Practice Violations

- Failing to describe corrosion and holes in the roof (.1108(a)(5));
- Failing to report deficiencies in the roof and roofing material (.1108(a)(5));



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How does the **DDID** change as additional discoveries are made?

What is the defect?

1. Defects in the roof surface?
2. Ceiling stains?
3. Damage to the ceiling gypsum?
4. Damaged to the roof framing?

Standards of Practice Violations

- Failing to describe method used to observe under the floor crawlspace (.1106(c)(3));



Access to crawl



Standards of Practice Violations

Failing to Describe:

- Failing to describe type of columns or piers (.1106(b)(4));



Standards of Practice Violations

- Failing to describe structural concerns (specifically cracked ceilings, non-closing doors, partially bearing girders, sagging floors, wood to ground structure);



Standards of Practice Violations

- Failing to identify readily visible bowing of interior walls and leaning of exterior wall;



1/30/2014



living room string line and level in vicinity of crack at front bedroom door 150

Standards of Practice Violations

- Failing to identify visibly obvious and significant structural defects (.1103(b)(3)(C));
- Failing to inspect water stains and/or damage to the floor structure (.1106(a)(2));



1/30/2014



Bedroom floor separation



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Student Workshop
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floor joist rot

Standards of Practice Violations

- Failing to identify an un-terminated, hot conductor in the crawlspace;



Standards of Practice Violations

Failing to Inspect

- Failing to properly inspect inadequate grading and drainage (.1107(a)(7));



Standards of Practice Violations

Failing to Inspect

- Failing to properly inspect foundation vents (.1114(a)(2));
- Failing to inspect ventilation in visible crawlspace foundation wall (.1106(c)(2) and (.1114(a)(2));
- Failing to inspect readily visible and readily accessible foundation ventilation (.1114(a)(2));
- Failing to inspect the structural components of the floor system (.1106(a)(2));
- Failing to inspect all visible components of the crawlspace (.1106(c)(2));
- Failing to inspect ventilation in visible crawlspace foundation wall (.1106(c)(2) and (.1114(a)(2));



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Standards of Practice Violations

- Failing to inspect decks, balconies, stoops, steps, areaways, porches and applicable railings (.1107(a)(4));



Standards of Practice Violations

- Failing to report signs of water penetration into the fireplace;



Standards of Practice Violations

- Failing to report signs of water penetration into the building or signs of abnormal or harmful condensation on building components;



Standards of Practice Violations

- Failing to report a water stain as a sign of abnormal or harmful water penetration that warrants further investigation;



Standards of Practice Violations

Failing to report water damaged exterior wood components;



Standards of Practice Violations

Failing to Identify:

- Failing to identify all of rotted siding that did not function as intended and that may adversely affect the habitability of the house (.1103(b)(3)(C), .1107 (a)(1));
- Failing to identify missing or damaged exterior wall siding (.1103(b)(3)(C), .1107(a)(1));
- Failing to report rotted door trim;
- Failing to report damage around a window;
- Failing to report defects with the siding;
- Failing to report that the gutter system is not functioning as intended;

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