



# NCHILB Newsletter - Winter 2020

## North Carolina Home Inspector Licensure Board

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Website: <http://www.nchilb.com/>

Facebook: <https://www.facebook.com/nchilb>

### **Chairman's Message – D. Arthur Hall**

When I was asked to write a message for this newsletter, I thought it would be brief because as most of you know, I am a man of few words but constant action. By the time you read this, we will have bid farewell to 2019 and begun a new decade. Time flies.



We can probably all agree that the strong economy has fueled demand for home inspections. Anyone in the construction or inspection industry likely has as much work as they can handle. This is as good as I've seen in my many years as a licensed home inspector, general contractor, electrical, mechanical contractor, developer and community servant in various capacities.

Like many other occupations, older licensees are retiring (though, at 77 years "young," I still think I have a few good years left!). Fortunately, pre-licensing programs provide a pathway for young people with an interest and passion to serve their neighbors. As I write this article, December 2019, the NCHILB Inspector Directory web page shows 1,525 active licensees. This is the highest since licensing began in 1996. Most new applicants for licensure qualify by holding pre-licensing program certificates.

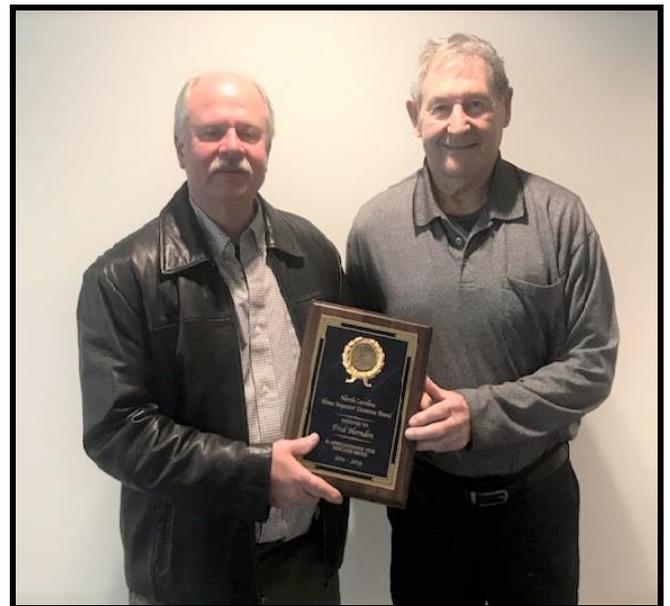
Home inspectors provide essential information about a home's condition to consumers and other professionals. With all the new licensees over the past few years, I'm pleased to say the Board's report review/screening project is providing valuable feedback to the Board and licensees.

The problem is all this work is interfering with fishing tournaments.

Sincerely  
D. Arthur Hall  
Chairman NCHILB

### **Recognition of Service**

At the January 10, 2020 meeting of the Board, Fred Herndon was recognized for his eight years of service in various roles as Board and Committee Chair and member. Fred was instrumental in the legislative process that produced the pre-licensing statutes that benefit citizens today.



### **Appointment of David Dye**

Mr. David Dye was appointed to the Board by the N.C. General Assembly. David fills the appointment of a licensed home inspector. David has participated in the housing industry for many years as a licensed real estate agent and volunteer in building related charities. Now in his fourth year as a licensed inspector, he is active in organizations dedicated to the continuous improvement of the profession. David hopes to use his many years of experience in corporate operations, sales and marketing, to contribute to the board's organizational development. Welcome!



## **Mission Statement**

The mission of the N.C. 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.

## **Director's Message – Mike Hejduk**

Following the annual September 30 license expiration, 92% of licensees renewed – a new record!

Four videos explaining home inspections are now posted on the Board web page [www.nchilb.com](http://www.nchilb.com). Please provide links to your clients!



To protect consumers (and potentially reduce future complaints against licensees), the Board approved funds to perform reviews of up to 500 new licensee reports. An ever-increasing number of applicants now qualify for licensure through pre-licensing certification programs. Many applicants have limited experience in the construction industry.

NCDOI staff issued an Invitation for Bid (IFB) to contract out the report review effort. Right Step Home Inspections, Inc. was the successful bidder and was awarded the contract. By redacting client and licensee information from contracts, summaries and reports prior to contractor review, anonymity is preserved, thus avoiding the potential for conflicts of interest and bias.

A summary of results of the report reviews is presented at the regular quarterly Board meetings. To date, 267 reports have been reviewed - 53% of the 500. Board presentations are posted on the web page. Feedback from licensees has been positive.

The Board also authorized a contract for required financial audits as required by State statutes. Anderson Smith & Wike, PLLC was the successful bidder to conduct financial audits for FY 2015-2016 and FY

2016-2017 with options to do FY 2017-2018 and FY 2018-2019.

The annual licensee survey for calendar year 2019 is now available through the link below. Please click the link and answer a few questions.

<https://www.surveymonkey.com/r/NCHILB2019>

## **Priorities for 2019/2020**

The board's priorities for the current license period are:

- Legislative changes
- New Licensee Report Reviews (500)
- Board-developed Update Course for 2020/2021
- Computer Based Testing (CBT)

## **Committees 2019/2020**

The web site contains a list of all committee members for the current Fiscal Year. Committee chairpersons are listed below:

### ***Standing:***

**Application Evaluation – J. Ramsey**

**Exam – R. Roegner**

**Finance – C. Collins**

**Legislative – C. Corey**

**Education – H.J. Gainey**

**Standards of Practice – H.J. Gainey**

**Investigation Review – H. Upton**

**Personnel – D. A. Hall**

### ***Advisory:***

New Licensee Report Audits – H. Upton

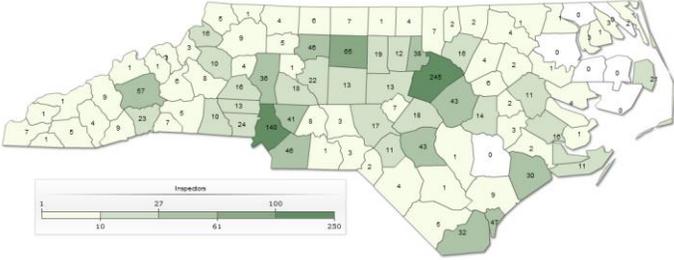
## **Spotlight on Standards**

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. Please note that the current edition of the regulations, with all amendments effective through [October 1, 2018](#), is available on the website. Call staff if you need a copy.

## **Licensing**

As noted earlier, there are more than **1,500** licensed NC home inspectors on active status. A distribution map of

licensees by county may be viewed at any time through the **Inspector Directory** of the Board web page. Selecting the [“Inspector Search”](#) tab for a list and count of active status licensees.



### **Education**

The Board routinely contracts out the annual Board-developed update course. The N.C. Department of Insurance is now using the State of North Carolina Interactive Purchasing System (“IPS”) <https://www.ips.state.nc.us/ips/> to list and advertise Invitations for Bids for these services.

The FY 2019-2020 **“How to address Safety Concerns”** course has been developed and has been distributed to Board approved update course Sponsors and Instructors.

The FY 2020-2021 **“Inspecting Water Heating Systems and Components”** was posted on the IPS in December. Bid submissions are due January 16, 2020.

### **Home Inspection Reports**

Licensees using commercially available report software packages should ensure that automated report default settings provide an accurate report for the property inspected. Specifically, licensees should check that the summary statement required by [N.C. Gen. Stat. § 143-151.58\(a1\)](#) is included and written as quoted in the statute. ***Licensees may want to consider including the general statute reference to establish the source of this consumer notice at the beginning or end of this statement as shown below.***

#### **N.C. Gen. Stat. § 143-151.58(a1):**

*“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.” [N.C. Gen. Stat. § 143-151.58(a1)]*

Licensees are also reminded that this statute states *“the summary 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.”* Licensees should note that Board Rule 11 NCAC 08.1103(b) was amended effective October 1, 2018 to make subparagraph (3) report DDID requirements distinct from subparagraph (4) summary requirements. The summary page(s) is not required to include DDID.

### **Board Disciplinary Action**

The Investigation Review Committee (“IRC”) makes recommendations to the board for final resolution of all complaints, including dismissal and letters of caution, in addition to the recommendations the committee currently makes for consent agreements and hearings.

Disciplinary action taken against a licensee within the past three years was available through the DIRECTORY menu of the website by selecting the [“Discipline”](#) link at the far right. However, this link has been removed while the computer program is being updated to provide the scanned Board decision documentation.

Disciplinary actions taken by the Board against licenses are reported quarterly in the Board minutes after they are approved and posted on the web page [HILB - Minutes](#) .

Licensees are encouraged to read the [“TOP TEN TIPS FOR AVOIDING COMPLAINTS WITH YOUR LICENSING BOARD.”](#) written by the board’s N.C. Department of Justice assigned legal counsel. These tips are included at the end of this newsletter and available through the board web site under the [CONSUMERS, Disciplinary Actions link](#).

### **Building Codes**

Occasionally, home inspectors may observe a defect or condition that affects the safety or habitability of a dwelling that they also think may be a code violation. While [N.C. General Statute § 143-151.58\(a2\)](#) does allow home inspectors to state a deficiency as a violation of code, there are very specific requirements that must be met, as summarized below. Licensees are urged to read the law carefully before making such statements to ensure compliance with these statutory requirements.

- (1) Licensees must determine the date of construction, renovation, and any subsequent installation or replacement of any system or component of the home and include this information in the home inspection report.
- (2) Licensees must determine the State Building Code (i.e., Residential, Electrical, Mechanical, Plumbing/Gas) in effect at the time of construction,

renovation, and any subsequent installation or replacement of any system or component of the home and include photocopies of the applicable sections of the code quoted/cited in the home inspection report.

- (3) Licensees must use the code in effect at the time of construction, renovation, and any subsequent installation or replacement. In other words, just because a condition observed does not meet current code requirements, you cannot cite it as a code violation if it was not required by the code that was in effect when the house was built or renovated.

The N.C. Department of Insurance, Office of State Fire Marshal (OSFM), Engineering and Codes Division produces a free e-newsletter. Most of the articles are code-related, including interpretations, research on construction methods and materials, etc. To read previously posted newsletters, go to:

[http://www.ncdoi.com/OSFM/Engineering\\_and\\_Codes.aspx](http://www.ncdoi.com/OSFM/Engineering_and_Codes.aspx)

To subscribe, go to:

[https://lists.ncmail.net/mailman/listinfo/ncdoi\\_engineering](https://lists.ncmail.net/mailman/listinfo/ncdoi_engineering)

Code books are available for sale in the OSFM office at 325 N Salisbury St., Raleigh, NC, or through the ICC online store: <https://codes.iccsafe.org/public/>

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

- Chairman..... D. Arthur Hall<sup>2A</sup>**
- Vice Chairman .... Connie Corey<sup>1C</sup>**
- Treasurer..... Chad Collins<sup>1D</sup>**
- Secretary ..... Rob Roegner<sup>4</sup>**
- Member ..... Joseph B. Ramsey<sup>3B</sup>**
- Member ..... Heyward John Gainey<sup>1A</sup>**
- Member ..... Butch Upton<sup>3A</sup>**
- Member ..... David Dye<sup>3A</sup>**

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<sup>®</sup>
- D. N.C. Home Builders Association<sup>®</sup>

### **NCDOI Staff**

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# TOP TEN TIPS FOR AVOIDING COMPLAINTS WITH YOUR LICENSING BOARD

By M. Denise Stanford, NCDOJ



Dealing with complaints is time-consuming and stressful, regardless of the outcome. At times, complaints are unavoidable. However, there are preventive actions you can take to minimize your chances of having a complaint filed against you and to maximize your chances of successfully defending yourself in front of your board if a complaint is filed. Here are the top ten tips for avoiding complaints with your licensing board.

**10. Keep up with the law.** When a complaint is filed against you, the first thing the board will consider is whether you have violated your licensing practice act. Educate yourself on what your act requires and how your board has interpreted those requirements. The board's newsletter and website are good resources for this information. Be sure to keep yourself current on any recent amendments to your licensing act by the legislature. The corollary to knowing your practice act is complying with the practice act. Be sure you comply with everything your act requires.

**9. Keep up with your board rules.** The board will also review the complaint for any violations of its rules. Stay current on your board's rules. The board is required to give notice and receive comment on any rule before its adoption. Stay informed about rules that your board is considering. Once the rule is adopted and goes into effect, you will be better prepared to comply with it.

**8. Educate/Supervise your staff.** You are responsible for what your staff does. Be sure they know what the law and board rules require. In some instances, your board could discipline your license for the illegal actions of your employees. Be sure that they are operating within the confines of the law and your board's rules. Make sure that your staff is following your dictates. Don't ignore red flags. Implement a system of checks and balances. Take corrective action early if you do find any wrongdoing on the part of your staff.

**7. Think twice before suing your clients.** Before suing your clients in court, be sure that the services you provided were above reproach. Many times, clients who have been sued by a licensee will file a complaint with the licensee's board. This will subject the services you provided to a heightened scrutiny. Clients may not be paying you because they have a complaint about the service that you rendered. Be sure that you have addressed any complaints your clients may have before serving them with a lawsuit.

**6. Communicate with your clients.** One of the main reasons that complaints are filed with licensing boards is because of poor client management on the part of the licensee. If clients feel that they have been dealt with fairly and honestly, they are less likely to file a complaint with the board. Don't ignore complaints from your clients. Communication is essential. Be accessible to your clients. Always communicate with your clients in a courteous manner. Be sure your staff does, as well. What you say, and the way you say it, can and will come back to haunt you. Document your communications with clients.

**5. Write it down.** Be sure that your documentation is more than adequate. If there is a dispute, you will gain a lot of credibility if you have documented in advance what occurred. Be sure to document any problems that have occurred and the steps that you took to correct them. If any staff was involved, have them document their version. Failure to document can also be a potential violation of your practice act or board rules. Implement a recordkeeping system so that your documents are readily retrievable. Backup your records when appropriate.

**4. Implement reminder systems.** Be sure you are doing what you are supposed to be doing and following up when required. Implement and follow a reminder system to be sure that all deadlines are met.

**3. Deal with problems early.** Don't ignore problems hoping they will go away. What starts as a small problem can, in time, lead to a complaint with your licensing board. Dealing with the problem early can help to resolve it and may avoid a future complaint to your board.

**2. Get legal advice early.** Taking appropriate legal steps may resolve problems or protect you in the future should you end up before your board or in court. Consult with counsel before taking action to be sure that you are aware of all the legal ramifications of your actions.

**1. Encourage and promote professionalism.** Above all else, remember that you are a professional. Treat your clients and colleagues with respect and courtesy. Commit yourself to practicing your profession at the highest skill level and with the utmost integrity.