



# NCHILB Newsletter - Spring 2010

## North Carolina Home Inspector Licensure Board

322 Chapanoke Rd, Suite 115, Raleigh, NC 27603  
(Tel) 919-662-4480 (Fax) 919 662 4459 Website: <http://www.nchilb.com/>

### **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.

### **Chairman's Message - Gerald Canipe:**

The Board's recent interest in ethics has been spurred by anecdotes of improper advertising relationships between home inspectors and real estate agents. An advisory letter regarding "preferred partner" advertising relationships was mailed to all active licensees on March 10, 2010.

In responses to that letter, several home inspectors have raised questions regarding other advertising arrangements with realty firms. The Board encourages home inspectors to consider the spirit of the ethics rules in order to avoid engaging in advertising practices or entering into marketing arrangements with realty firms that could create the perception that the home inspector's independent professional judgment might be compromised. Home inspectors should avoid both actual and perceived conflicts of interest.

In order to provide guidance on specific scenarios, the Board encourages home inspectors to submit their questions in writing to the Board's staff for clarification by the Investigator Advisory Committee. If the Investigator Advisory Committee feels that all licensees could benefit from guidance on a specific question staff will publish that guidance in the newsletter and Web site.

### **Director's Message - Mike Heiduk:**

Periodic publication of newsletters to licensees is not required by the N.C. General Statutes, Administrative Code nor the by-laws. That said, the Chairman's Message in the Spring 2002 newsletter stated the Board had adopted a policy of publishing quarterly to keep both licensees and other interested parties better informed. Since my appointment to this position in October, my intention has been to continue this practice. As is sometimes the case, other priorities cropped up and I appreciate your patience. So what has staff been doing to improve communications between the Board and licensees?

- 1) The Web site has been and continues to be changed to improve functionality and content.
- 2) Increased use has been made of the email listserve, and staff is updating records to reflect current email addresses.
- 3) Steps are being taken to provide an online license renewal capability in time for the 2010/2011 license period.
- 4) In response to licensee requests renewal ID cards are being modified to include photos.
- 5) A new edition of the "Board Rules" has been developed and is posted on the Web site under the [REGULATIONS, STATUTES AND RULES](#) menu item tab. [note: the PDF file version of this newsletter includes hyperlinks]

### **Priorities for 2010:**

Ideas discussed at the Board's planning session in November 2009 were summarized as a list of priorities at the February 2010 meeting in Wilmington. Progress toward accomplishing specific goals and objectives developed from these priorities will be reported on the Web site, monthly reports, listserve/emails and the newsletter. The Board's stated priorities for 2010 are:

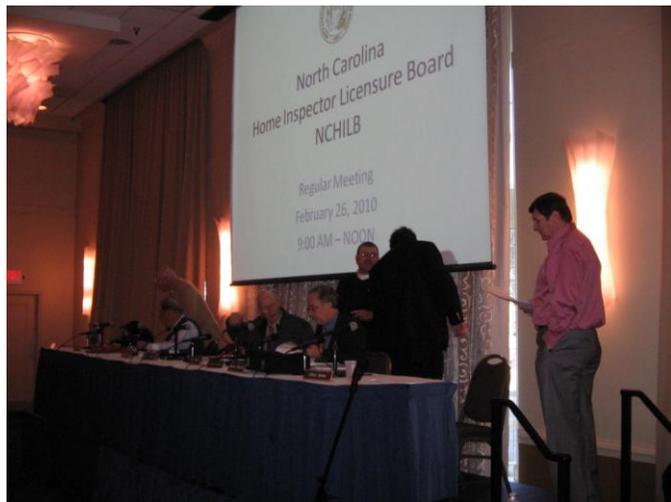
- Improve quality of home inspection reports
- Take action against unlicensed activity
- Enable online license renewals / photo IDs
- Facilitate a pre-licensing course

These priorities are being pursued through establishment of a New Licensee Report Review program; investigations of unlicensed home inspection activity; database programming modifications and web applications; and committee and industry association efforts.

**Board Meetings 2010:**

Regular board meetings are generally scheduled for the second Friday of every other month resulting in six meetings per year. Upcoming meetings are currently scheduled to meet at the Board’s office in Raleigh on the following dates:

**May 14 / July 16 / Sept. 17 / Nov. 19**



*February 2010 Board Meeting in Wilmington, N.C.*

**Committees:**

The by-laws, Article III, establish 8 standing committees to carry out the functions of the Board (see list next column). Committee membership and issues of interest are posted on the Board’s website. Regular committee meetings are scheduled on the day preceding each Board meeting. Other meetings are convened as needed and advance written notice is posted on the Web site and emailed to interested persons who have requested notification per General Statute 143-318.12(b)(2). Licensees are encouraged to contact committee chairmen by phone or email

regarding issues pending in each committee as noted below.

- ✓ **Application Evaluation** – L. Summer  
*Equivalent Experience Review*
- ✓ **Exam** – M. Peeples  
*Review & develop additional questions*
- ✓ **Finance**- M. Peeples  
*Develop FY 2010-2011 Budget*
- ✓ **Legislative** – T. Triebel  
*Monitor ‘Short Session’ & Rule Changes*
- ✓ **Education** – T. Jones  
*Board Developed Update Course  
Three years of 16 hr Cont. Ed.  
Pre-Licensing Course*
- ✓ **Standards of Practice** – D. Jones  
*Rule Changes  
Interpretations  
Recommended Language*
- ✓ **Investigator Advisory** – M. Peeples  
*Complaints – Licensed/Unlicensed  
Investigations – Contract Assistance  
Consent Agreements  
Disciplinary Actions*
- ✓ **Personnel** – G. Canipe

**“Spotlight on Standards”**

Licensees should be aware that the April 1, 2010 edition of the General Statutes and Administrative Code (Board Rules) incorporates recent legislative changes enacted by the General Assembly and rule changes proposed and adopted by the Board and Rules Review Commission.

- Requirements for the Home Inspection Report Summary Page have been deleted from the rules and are now specified in NCGS 143-151.58(a1).
- DDID (*Determine, Describe, Implications, Direction*) has been incorporated into Rule .1103(b)(3)(D).
- “Sunset” provisions apply to licensure as an Associate Home Inspector effective Oct. 1, 2013. Per Session Law 2009-509 the Board may not accept an application for licensure as an associate home inspector after April 1, 2011. The Board may not issue a license for an associate home inspector on or after Oct. 1, 2011. The Board may not renew an associate home inspector license on or after Oct. 1, 2013.
- Licensees will be required to maintain General Liability Insurance beginning Oct. 1, 2011 and Errors and Omissions insurance may be substituted for net assets or a bond.

Committees have and are in the process of drafting proposed rule changes that will be posted on the Web site as they are developed. All proposed rule changes must be published in the N.C. Register and afforded a public hearing and comment period prior to adoption by the Board and the Rules Review Commission. This process takes several months. At its regular meeting held Feb. 26 in Wilmington the Board approved moving forward with rule changes to increase fees to the maximums allowed by recent changes to General Statute 143-151.57 Fees.

**License Administration - Terri Tart:**

• **Statistics**

Home Inspectors – active	1,325
<u>Associate Home Inspectors - active</u>	<u>74</u>
<b>Total Inspectors – active</b>	<b>1,399</b>
Home Inspectors – inactive	460
<u>Associate Inspectors – inactive</u>	<u>61</u>
<b>Total Inspectors – inactive</b>	<b>521</b>
<b>Total # N.C. Licensees</b>	<b>1,920</b>

- **Applications** Persons interested in becoming licensed in North Carolina must submit a completed application form available through the Board Web site or mailed by staff. The application must be accompanied by the applicable fee for home inspector or associate home inspector. Applications determined by staff to meet requirements are mailed notices that they may register to take the mandatory state exam. Staff refers some applications to the Application Evaluation Review Committee for a final decision for some types of equivalent experience claimed or because of a criminal record.
- **Exams** Advance registration and payment of the required fee is required to sit for the state exam. All examinations are held at the Board's testing room in Raleigh. If necessary due to a large number of examinees, an additional day of exams will be added following the dates listed. A score of 70% is required to pass the exam. Examination reviews are available only to applicants who fail the exam. Applicants who do not score a passing grade must wait 6 months to take the exam again.

- **License Issuance** Upon passing the exam and payment of the initial license issuance fee staff assigns a license number and prints a license certificate and a pocket identification card (ID) renewal card. The annual license period runs from Oct. 1 to Sept. 30.
- **Renewals** All licenses expire on Sept. 30 if an application for renewal has not been submitted and the renewal fee is not paid. Current rules require licensees to attend a minimum of 12 hours continuing education each year in order to renew a license on active status. Licensees may request active licenses be placed on inactive status prior to expiration if required continuing education credits of 12 hours have not been attained.

**Licenses expire Sept. 30. Performing home inspections without a license is a violation of the N.C. General Statutes.**

- **Change of Address** Licensees must provide change of address information to the Board per General Statute 143-151.54(a). Please note that annual license renewal notices are mailed on or about Aug. 1 each year to licensees to the last mailing address provided. [NOTE: Please advise staff of email address changes as well.]

**Continuing Education - Jennifer Hollyfield:**

Licensed inspectors must earn 12 hours of continuing education (CE) credits every license period (Oct. 1 to Sept. 30). 4 hours must be the Board developed update course. 8 hours are sponsor developed elective courses. Information on Board-approved courses, locations and instructors is available through the Web site menu item [CONTINUING EDUCATION, INFORMATION.](#)

- **Update Course** The update course for 2009/2010 is **Accuracy in Inspection – Wood Decks**. The update course pending approval for 2010/2011 is Electrical Safety – Part I
- **Elective Courses** Sponsors are responsible to renew and develop new elective courses for approval annually. Sponsors and instructors must also reapply each year.

Rule changes under development will require a minimum 16 hours of continuing education in

several future years to comply with direction by the General Assembly.

Complaints/Investigations Licensed	26
Complaints/Investigations Unlicensed	7

• **Statistics**

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

**Investigations - Phil Joyner:**

- **Complaints** Anyone may file a complaint against a licensee within 3 years of the date the home inspection was performed. Complaints must be in writing, signed and dated and include the mailing address and phone number of the complainant as well as the street address of the structure. Supporting documentation must include a copy of the contract and home inspection report. A copy of the complaint is provided to the licensee for comment. Persons doing home inspections without a valid license are guilty of a Class 2 misdemeanor, a criminal offense per General Statute 143-151.59.
- **Site Visits** After an initial review of the complaint and the home inspection report a site visit by an investigator is scheduled. Due to an increasing number of complaints in recent years, some of these field visits are conducted by contract investigators located outside of Raleigh. Site visits provide an opportunity for the investigator to have face-to-face meetings with property owners, complainants, inspectors and other potential witnesses such as real estate and other professionals familiar with the property. Site visits may also reveal additional Standards of Practice reporting violations not included in the complaint but subject to disciplinary action by the Board.
- **Reports** Staff investigation of the charges determines whether allegations against a licensee are violations of the Standards of Practice, Code of Ethics or of the General Statutes. Investigation findings are documented in a report that is provided to the complainant and the licensee. Appendices to the report include the home inspection report, complaint and any other documentation such as specialist reports or photographs.
- **Statistics**

**Board Disciplinary Action**

If there are findings in the investigation report (or by the Investigatory Advisory Committee upon appeal by a complainant) that there is sufficient evidence to support the allegations in a complaint, the Board schedules a time and place for a disciplinary hearing and gives notice to the licensee. Staff and the licensee may resolve the complaint by means of a consent agreement with the Board’s approval. An alphabetical list of licensees disciplined is available through the Web site menu item [DISCIPLINARY ACTIONS](#). A hyperlink is available for some names that list the specific violations. This feature remains under development.

- **Consent Agreements** Common terms negotiated may include license suspension and/or probation including completion of additional continuing education courses related to specific violations of the Standards of Practice (SOP). For example, a violation of not inspecting the operation of ground fault circuit interrupters per .1110(a)(7) may result in taking an electrical systems elective course – before the expiration of the probationary period – in addition to the annual 8 hour required elective CE. Typically the licensee is also required to submit additional reports for staff review after the CE is taken to assure reports now meet minimum SOP requirements. Non-compliance with terms and conditions of the consent agreement may also provide grounds for further disciplinary action.
- **Disciplinary Hearings** General Statute 143-151.56(b) states the Board may refuse to renew, suspend, revoke or impose probationary conditions upon a licensee after holding a hearing. A license issued by the Board is the property of the Board. If the Board suspends or revokes a license issued by it, the individual to whom it is issued must give it to the Board upon demand.
- **Statistics**

Consent Agreements - Active	27
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## N.C. Home Inspector Licensure Board Appointees

Chairman..... Gerald Canipe<sup>3A</sup>  
Vice Chairman .... Ted Triebel<sup>3B</sup>  
Secretary ..... Chris Noles<sup>4</sup>  
Treasurer..... Marion Peeples<sup>1A</sup>  
Member ..... Larry Summer<sup>1D</sup>  
Member ..... David Jones<sup>2A</sup>  
Member ..... Talmadge 'TJ' Jones<sup>2A</sup>  
Member ..... Tony Jarrett<sup>1C</sup>



*Standards of Practice Committee – Left to Right –  
Chairman David Jones; Marion Peeples; Ted Triebel*

Appointed by:

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

Representing:

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

## NCHILB/NCDOI Staff

DIRECTOR:

Mike Hejduk, PE

[Mike.hejduk@ncdoi.gov](mailto:Mike.hejduk@ncdoi.gov)

(919) 662-4480 x272



LICENSE ADMINISTRATION:

Terri Tart

[Terri.tart@ncdoi.gov](mailto:Terri.tart@ncdoi.gov)

(919) 662-4480 x274



EDUCATION COORDINATOR:

Jennifer Hollyfield

[Jennifer.hollyfield@ncdoi.gov](mailto:Jennifer.hollyfield@ncdoi.gov)

(919) 662-4480 x273



INVESTIGATOR:

Phil Joyner

[Phil.joyner@ncdoi.gov](mailto:Phil.joyner@ncdoi.gov)

(919) 662-4480 x285

