



# NCHILB Newsletter - Winter 2017

## North Carolina Home Inspector Licensure Board

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### **Mission Statement**

The mission of the N.C. Home Inspector Licensure Board is to safeguard the public health, safety and welfare, and 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 – Butch Upton**

#### **TO OUR LICENSEES**

As I began to compose this letter, I realized how quickly my term is passing as a board member. It has been a great educational experience serving and a real education in the process. So far it has been filled with many rewarding moments as well as some challenges. Through the last eight years we have had a true advocate working on all of our behalf as a board member who has been, from what I have seen and heard, a true asset to our Home Inspector Licensure Board. That person is Marion Peoples and I want to personally say, "Thank You" sir for all your hard work and efforts you have made for all of us! I know the pay is a little low, but we will keep working on that issue, yea, Right!!!

I am truly humbled to lead the incredibly talented and dedicated people who are licensed inspectors in North Carolina. We are fortunate to have so many exceptional inspectors across our great state. From the day I began my career and subsequently over the years, I have learned a lot about our profession from many of you and for that I say, "Thank you for helping me along the way."

This will again be another year of transition and we plan on making additional solid progress on many fronts including moving our staff again to permanent quarters and offering the state home inspection exam in NC Department of Insurance regional offices such as Charlotte and Asheville making it more convenient and less costly for future licensees to take our exam across the state.

I feel most of us are caring individuals that aspire to protect our whole community, and it reminds me of how firmly and fundamentally compassion is woven into the fabric of our culture and our profession. I think that all of us take a lot of pride, both in our knowledge of our profession as well as trying to help the consumers as much as possible while they are typically making the largest purchase or investment in their lifetime. In addition to an inspection service, we are offering our clients and the public our integrity and ethics. We ALL should stand above reproach when it comes to doing the job that we would expect to be performed on our own home or family member's homes.

It is my belief that providing high-quality inspections and properly reported information (aka DDID) in a consistent manner, is a route for a very successful business and is one of our greatest challenges. But, it is also the greatest hope for a better business future for every inspector, their family, and their community.

I thought I would share a saying that I read very often to remind myself of who I am and where I should be as a person and some of you may have seen before and hope you all enjoy as much as I have over the years of my life and business experience [please see back page].

Your leadership in the home inspection business has been made possible due to each of your individual determination and dedication and for that we have, in my opinion, the best state in the country to enjoy such a profession as we all have decided to conquer and endure this profession. Congratulations on a great 2016 and Happy New Year to each of you and your families and hope each of you have the best year ever in 2017!

Butch Upton

Chairman NCHILB



## **Departure of Marion Peeples**



### **Marion Peeples and Fred Herndon**

Outgoing Board Chairman Fred Herndon, members and staff bid farewell to Marion Peeples who was appointed to the Board in 2008 by the Governor. Marion served the citizens of North Carolina, licensed home inspectors tirelessly in his role as Chairman of the Board as well as numerous committees. His energy and contributions toward ensuring the competence of licensees will be missed.

## **Appointment of Heyward John Gainey**



### **Heyward John Gainey and Fred Herndon**

Outgoing Board Chairman Fred Herndon welcomed new member John Gainey to the Board. John was issued his home inspector license in 1997 and was appointed by the Governor. John hails from Sunset Beach, NC representing the coastal region of the state. John has been assigned as Chairman of the Standards of Practice Committee and a member of the following standing committees for FY 2016-2017: Exam, Education and Investigation Review.

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

Staff has completed the temporary move from 322 Chapanoke Road to 116 West Jones St. Pending completion of renovations, our final destination will be the Albemarle Building along N. Salisbury St. in February 2017 (an aerial image of this downtown area is included at the end of this newsletter). In the interim, the October 7 regular quarterly meeting of the board was held at NC State University, McKimmon Center on Gorman Street. State exams were administered at this facility on October 13<sup>th</sup>. Currently this is the planned location for the December and February exams as well.

Staff began administering state exams in a computer based format as an option at the Raleigh office – 116 West Jones St. The advantage of the computer based format is that the examinee's score on the exam will be available and reported to him or her immediately at the conclusion of the exam. The handful of examinees who have already taken the test in this format have given us positive feedback. Future plans are to make the state exam available in a computer based format at the NCDOI Regional Offices in Charlotte and Asheville to improve convenience and reduce time and travel costs associated with taking this mandatory exam.

## **Priorities for 2016/2017**

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

- Board-developed Update Course for 2016/2017
- Rules Review
- Computer Based Testing (CBT)

## **Committees 2016/2017**

### ***Standing:***

**Application Evaluation – W. Sawyer**

**Exam – C. Noles**

**Finance – D. A. Hall**

**Legislative – J. Ramsey**

**Education – F. Herndon**

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

**Investigation Review – F. Herndon**

### ***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 [Oct. 1, 2014](#), is available on the website.

## **Rules Review**

From time to time, legislation is approved that requires the board to create or modify rules to fully implement the law. All proposed rules are subject to the rule-making process, which includes a public hearing conducted by the agency. The Legislative Committee monitors bills under consideration by the N.C. General Assembly.

[Session Law 2013-413](#) authorized changes to N.C. Gen. Stat. § 150B-21.3A and required periodic review and expiration of existing rules. At least once every 10 years each agency shall conduct a review of the agency's existing rules and make a determination as to whether the rule is:

1. Necessary *with* substantive public interest
2. Necessary *without* substantive public interest
3. Unnecessary

The Office of Administrative Hearings (OAH) has posted a schedule that requires HILB rules review to be completed by November 2017. [N.C. Gen. Stat. § 150B-21.3A](#) describes the review process which includes posting of the initial agency determination on the web site and inviting the public to comment on the rules and the agency's initial determination.

At its October quarterly meeting the Board voted to classify all NCHILB agency rules as necessary *without* substantive public interest with the exception of .1101 through .1116 and .1302 which shall be classified as necessary *with* substantive public interest. These determinations were made, in part, as a result of licensee comments received by the Board through recent online surveys.

## **Licensing**

As of October 31, 2016 there were 1,202 licensed home inspectors on active status. The total number of active status licensees may be viewed at any time through the Inspector Directory of the Board web page by selecting the "[Inspector Search](#)" tab.

## **Education**

The Board routinely contracts out the annual Board-developed update course. The NC 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 2016-2017 "Condensation-Water" course has been developed and distributed to Board approved update course Sponsors and Instructors.

Next year's course for FY 2017-2018 is "Understanding and Using N.C. Recommended Language & Interactive Report Writing." This IFB was posted in December 2016.

## **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 consider including the general statute 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)(3) was amended effective Oct. 1, 2014 to make the summary and report requirements more consistent.

## **Board Disciplinary Action**

Rule changes effective Feb. 1, 2014, require the Investigation Review Committee to make 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 is available through the DIRECTORY menu of the website by selecting the "[Discipline](#)" link at the far right. Disciplinary actions taken by the Board against licenses are reported quarterly in the Board minutes 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, Ms. M.

Denise Stanford, included in 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)

The 2012 N.C. Residential Code posted on the ICC website at the link below is the final free (view-only) document: [http://www.ecodes.biz/ecodes\\_support/Free\\_Resources/2012NorthCarolina/12NorthCarolina\\_main.html](http://www.ecodes.biz/ecodes_support/Free_Resources/2012NorthCarolina/12NorthCarolina_main.html)

The soft-cover books are available for sale in the OSFM office at 116 West Jones St., Raleigh, NC, or through

the ICC online store: <http://www.iccsafe.org/Store/Pages/Product.aspx?category=15408&cat=ICCSafe&id=5711S12>

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

- Chairman..... Butch Upton<sup>3A</sup>**
- Vice Chairman .... Joseph B. Ramsey<sup>3B</sup>**
- Secretary ..... Chris Noles<sup>4</sup>**
- Treasurer..... D. Arthur Hall<sup>2A</sup>**
- Member ..... Tony Jarrett<sup>1C</sup>**
- Member ..... Heyward John Gainey<sup>1A</sup>**
- Member ..... Fred J. Herndon<sup>3A</sup>**
- Member ..... Waverly Sawyer<sup>1D</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®
  - D. N.C. Home Builders Association®

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## **New Temporary Location**

Board offices and staff have completed the temporary relocation to 116 West Jones Street, Raleigh, NC 27603 to the basement of the NC Department of Administration building (circled in green) shown in the adjacent aerial image at the bottom. As a result of this move, state exams for home inspectors are no longer being administered at the 322 Chapanoke Road location.

The Albemarle Building (circled in yellow) at the corner of North Salisbury Street and West Lane Street is currently undergoing extensive renovations. This building, when completed, will consolidate all NC Department of Insurance operations on or about February 2017 and all staff assigned to the home inspector board.

Individuals interested in meeting with staff or taking a computer based exam at the Raleigh office may consider parking in the public parking garage (circled in blue). For those not familiar with downtown Raleigh, North McDowell Street is one-way north at the southwest entrance of the garage, North Salisbury Street is one-way south at the east entrance to the garage. Public parking is available for a fee in various garages on an hourly or daily basis Monday through Friday during business hours. Some metered parking spaces are also available along some streets.

Anyone traveling downtown to take an exam, meet staff, or attend a board or committee meeting should allow additional time to park and walk to the building.



# 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.

# Guy in the Glass

When you get what you want in your struggle for self  
And the world makes you king for a day,  
Just go to the mirror and look at yourself  
And see what that man has to say.

For it isn't your father or mother or wife  
Whose judgment upon you must pass.  
The fellow whose verdict counts most in you life  
Is the one staring back from the glass.

You may be like Jack Horner and chisel a plum  
And think you're a wonderful guy.  
But the man in the glass says you're only a bum  
If you can't look him straight in the eye.

He's the fellow to please-never mind all the rest,  
For he's with you clear to the end.  
And you've passed your most dangerous, difficult test  
If the man in the glass is your friend.

You may fool the whole world down the pathway of years  
And get pats on the back as you pass.  
But your final reward will be heartache and tears  
If you've cheated the man in the glass.

ANONYMOUS