



From The Home Inspector

NEW HOME INSPECTOR LEGISLATION

For the first time ever, the NCAR has worked directly with the North Carolina Home Inspector associations to construct a set of revisions to Home Inspection Licensing Law. Rick Zechini of NCAR initiated the group efforts, and he and Cady Thomas (also of NCAR) conducted the negotiations for NCAR. NC-ASHI was represented by John Guy, their President, and Bruce Rudd. NCLHIA was represented by Fred Herndon, their President, Bob Scott, and Gary Walker. NCHBA was also represented during the negotiations.

The culmination of the group's efforts has resulted in legislation (S.B. 1007), which recently passed the State Legislature and should be signed by Governor Perdue shortly. All of the negotiating groups are in full support of the legislation. This is the first significant rewrite of the Home Inspector Licensing Law since its inception in 1995, and addresses concerns presented by each negotiating partner. More importantly, it is the first time these four associations have been able to sit together and openly discuss their impact on each other. All negotiators served as strong advocates for their particular association but also listened to the concerns and problems of the others. Solutions were developed for the problems and concerns that merited correction. None of the negotiators left totally happy, but none left unhappy to an extent they couldn't tolerate. Strong working relationships have been developed among the negotiating associations. Rick Zechini deserves credit for this major step forward that will benefit all associations involved.

The major changes fall roughly into four categories. Enhanced financial responsibility of Home Inspectors is the first. Under the new proposal, all Home Inspectors will be required to have \$250,000 of General Liability insurance and either \$250,000 of Errors and Omissions insurance, net assets of at least \$5,000 or a bond in that amount.

Second was improved and consistent education for Home Inspectors. New Home Inspectors will take up to 200 hours of home inspection education prior to licensing. Existing Home Inspectors will get 48 hours of mandated education focused on inspection and reporting consistency.

The next main category is the report summary page content. The old, hard to understand "adversely affects the habitability of the house" language has been removed; but at the same time new language that assures the Home Inspectors' ability to put safety issues in the summary has been added. Issues requiring further evaluation or subsequent observation are still allowed on summary pages, but they must be accompanied by a statement of some tangible evidence causing the concern.

The last category is building code references in inspection reports. Home Inspectors can still call defects code violations if they choose to; but if they do, they become responsible for determining the correct applicable code based on the age and location of the property.

The legislative proposal also contains several other minor changes, and there are still issues in the current law upon which the associations could not reach a consensus. Those issues could not be changed at this time. All negotiators agree that the proposed bill is certainly not perfect. All negotiators also agree that the bill is beneficial to each participating association; and more importantly, greatly enhances the protection of the public.

NOTE: For those who would like to read the entire text of the legislation, it can be found at

www.ncleg.net/Sessions/2009/Bills/Senate/HTML/S1007v6.html