

NORTH CAROLINA HOME INSPECTOR LICENSURE BOARD

ADMINISTRATIVE CODE

TITLE 11- DEPARTMENT OF INSURANCE

CHAPTER 8 - ENGINEERING AND BUILDING CODES

SECTION .1000 - NC HOME INSPECTOR LICENSURE BOARD

.1001 OFFICERS

The term of each officer shall be one year. Officers shall serve until a successor is elected and installed. Officers shall be eligible for re-election.

.1002 MEETINGS

(a) Regular Meetings. The date, time, and location of the Board meetings shall be listed with the Secretary of State's office. The chairman shall give written notice of the exact meeting place to each member no later than two weeks before the meeting. The chairman may reschedule a regular meeting by giving written notice to all members no later than two weeks before when the scheduled meeting would normally be held.

(b) Special Meetings. Written notice of any special meetings shall be given to all members of the Board at least two weeks before the time of the meeting, setting forth the time, date, and place of the meeting and the purpose for which it shall be held. In the event of an emergency, the notice period may be shortened as long as every member is notified before the meeting.

.1003 PERSONS AND PRACTICES NOT AFFECTED

Registered architects, professional engineers, and licensed general contractors do not need home inspector licenses to make on site inspections of residential buildings for which they are preparing plans, designs, specifications, or estimates for construction, remodeling, or repairs.

.1004 EQUIVALENT EXPERIENCE

(a) The Board shall consider equivalent experience of applicants who do not meet the experience requirements of GS 143-151.51(5) or GS 143-151.61. Any one of the following descriptions of experience shall be considered sufficient to meet the equivalent experience requirements:

(1) A bachelor of science degree from any engineering, architecture or building technology school and two years experience working in building design, construction, or inspection of building, electrical, mechanical, and plumbing systems.

(2) A two year Associate of Applied Science degree from a community college or technical school in building technology, civil engineering, electrical engineering, mechanical engineering, or architecture; and either four years of design experience in building, electrical, mechanical, and plumbing systems, or four years experience as an employee who works under the direct supervision of a licensed general (residential or building) contractor and who supervises electrical, mechanical, and plumbing subcontractors.

(3) Six years experience as an employee who works under the direct supervision of a licensed general contractor (residential or building) performing building construction and who supervises electrical, mechanical, and plumbing subcontractors.

(4) Certification by the North Carolina Code Officials Qualification Board as a Code Enforcement Official with Standard Level I (or higher) inspection certification in four areas: building, electrical, mechanical, and plumbing.

(5) Any combination of certification listed in Paragraph (a)(4) of this Rule and a license as an electrical contractor (limited or greater) issued by the NC Board of Electrical Examiners, or a license as a heating or cooling contractor (H1, H2, or H3), or a plumbing contractor issued by the NC Board of Examiners of Plumbing, Heating and Fire Sprinkler Contractors, resulting in either a certificate or a license in four areas in building, electrical, mechanical, and plumbing contracting or inspections.

(6) For the purpose of GS 143-151.51(5)a, the number of completed home inspections for compensation before October 1, 1996, as a home inspector may be included.

(b) Applicants may submit other experience in the design, installation, or inspection of buildings and electrical, mechanical, and plumbing systems. The Board's Application Evaluation Committee shall consider such experience on a case-by-case basis.

(c) Graduation in a home inspection course from a training institute or correspondence school is not sufficient to meet the equivalent experience alone. However, such courses may be listed along with other experience.

.1005 RECIPROCITY

If an applicant is licensed as a home inspector in another state that has laws and rules that are similar to Article 9F of Chapter 143 of the General Statutes and to the rules of the Board, the Board shall accept that license as evidence of experience. However, the applicant shall satisfactorily complete the Board's written examination and other licensing requirements before the Board shall issue the applicant a license.

.1006 NET ASSETS OR SURETY BOND

To be licensed as a home inspector, an applicant shall provide proof to the Board that he or she has personal net assets of \$5,000 or more. In the alternative, the applicant shall provide the Board with a cash bond or a surety bond in the amount of \$5,000 or more. Any surety bond shall be written by a surety company that is authorized by the Commissioner of Insurance to do business in this State.

.1007 EXAMINATION

An applicant must pass an examination administered by the Board. The examination shall be administered at least twice each year. The applicant must answer 70% of the questions correctly to receive a passing grade. The examination shall include questions about the administrative rules adopted by the Board, Article 9F of Chapter 143 of the General Statutes, inspections of the building structures and their components, and electrical, mechanical, and plumbing systems and appliances.

.1008 APPLICATIONS FOR LICENSES

Persons may obtain license applications from the Board after they pay the appropriate fee. Applicants shall return a completed application form and any supporting documentation to the Board at least 30 days before the next scheduled examination. The Board shall notify applicants of the times, dates, and locations of examinations. If available space is not sufficient for the number of applicants, additional examinations shall be scheduled.

.1009 DISPLAY OF LICENSE

Home inspectors shall display their licenses at their places of business. If a home inspector works out of his or her home, the inspector shall keep the license on file in the home.

.1010 APPEALS OF DENIALS

The initial evaluations of license applications shall be made by the Board's staff. Any applicant wishing to appeal the staff's decision to deny his or her application shall make a written request for a review to the Board's Application Evaluation Committee. The applicant shall request a hearing if aggrieved by any final decision of the Board denying the application.

.1011 FEE SCHEDULE

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

Application for Home Inspector License	\$25.00
Application for Associate Home Inspector License	\$15.00
Home Inspector Examination	\$75.00
Associate Home Inspector Examination	\$75.00
Initial Issuance of Home Inspector License	\$150.00
Initial Issuance of Associate Home Inspector License	\$100.00
Annual Renewal of Home Inspector License	\$150.00
Annual Renewal of Associate Home Inspector License	\$100.00
Late Renewal Penalty Fee - Home Inspector License	\$25.00
Late Renewal Penalty Fee - Associate Home Inspector License	\$15.00
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 shall be valid from the date of issue until the following September 30.

SECTION .1100 - NC HOME INSPECTOR STANDARDS OF PRACTICE AND CODE OF ETHICS

.1101 DEFINITIONS

The following definitions apply to this Section:

(1) "Automatic safety controls" means devices designed and installed to protect systems and components from excessively high or low pressures and temperatures, excessive electrical current, loss of water, loss of ignition, fuel leaks, fire, freezing, or other unsafe conditions.

(2) "Central air conditioning" means a system that uses ducts to distribute cooled or dehumidified air to more than one room or uses pipes to distribute chilled water to heat exchangers in more than one room, and that is not plugged into an electrical convenience outlet.

(3) "Component" means a readily accessible and observable aspect of a system, such as a floor, or wall, but not individual pieces such as boards or nails where many similar pieces make up the component.

(4) "Cross connection" means any physical connection or arrangement between potable water and any source of contamination.

(5) "Dangerous or adverse situations" means situations that pose a threat of injury to the inspector, or those situations that require the use of special protective clothing or safety equipment.

(6) "Describe" means report in writing a system or component by its type, or other observed characteristics, to distinguish it from other components used for the same purpose.

(7) "Dismantle" means to take apart or remove any component, device or piece of equipment that is bolted, screwed, or fastened by other means and that would not be dismantled by a homeowner in the course of normal household maintenance

(8) "Enter" means to go into an area to observe all visible components.

(9) "Functional drainage" means a drain is functional when it empties in a reasonable amount of time and does not overflow when another fixture is drained simultaneously.

(10) "Functional flow" means a reasonable flow at the highest fixture in a dwelling when another fixture is operated simultaneously.

(11) "Installed" means attached or connected such that the installed item requires tools for removal.

(12) "Normal operating controls" means homeowner operated devices such as a thermostat, wall switch, or safety switch.

(13) "Observe" means the act of making a visual examination.

(14) "On-site water supply quality" means water quality is based on the bacterial, chemical, mineral, and solids content of the water.

(15) "On-site water supply quantity" means water quantity is the rate of flow of water.

(16) "Operate" means to cause systems or equipment to function.

(17) "Readily openable access panel" means a panel provided for homeowner inspection and maintenance that has removable or operable fasteners or latch devices in order to be lifted off, swung open, or otherwise removed by one person; and its edges and fasteners are not painted in place. This definition is limited to those panels within normal reach or from a four-foot stepladder, and that are not blocked by stored items, furniture, or building components.

(18) "Representative number" means for multiple identical components such as windows and electrical outlets - one such component per room. For multiple identical exterior components - one such component on each side of the building.

(19) "Roof drainage systems" means gutters, downspouts, leaders, splash blocks, and similar components used to carry water off a roof and away from a building.

(20) "Shut down" means a piece of equipment or a system is shut down when it cannot be operated by the device or control that a home owner should normally use to operate it. If its safety switch or circuit breaker is in the "off" position, or its fuse is missing or blown, the inspector is not required to reestablish the circuit for the purpose of operating the equipment or system.

(21) "Solid fuel heating device" means any wood, coal, or other similar organic fuel burning device, including but not limited to fireplaces whether masonry or factory built, fireplace inserts and stoves, wood stoves (room heaters), central furnaces, and combinations of these devices.

(22) "Structural component" means a component that supports non-variable forces or weights (dead loads) and variable forces or weights (live loads).

(23) "System" means a combination of interacting or interdependent components, assembled to carry out one or more functions.

(24) "Technically exhaustive" means an inspection involving the extensive use of measurements, instruments, testing, calculations, and other means to develop scientific or engineering findings, conclusions, and recommendations.

(25) "Under floor crawl space" means the area within the confines of the foundation and between the ground and the underside of the lowest floor structural component.

.1102 STANDARDS OF PRACTICE

This Section sets forth the minimum standards of practice required of licensed home inspectors and licensed associate home inspectors. In this Section, the term "home inspectors" means both licensed home inspectors and licensed associate home inspectors.

.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 observed 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) Observe readily visible and 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 specified 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;

(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; and

(D) 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.

(d) Written reports required by this rule for pre-purchase home inspections of three or more systems shall include a separate section labeled "Summary" that includes any system or component that:

(1) does not function as intended or adversely affects the habitability of the dwelling; or

(2) appears to warrant further investigation by a specialist or requires subsequent observation.

This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function, efficiency, or safety of the home. This summary shall contain the following statements: "This summary is not the entire report. The complete report may include additional information of concern to the client. It is recommended that the client read the complete report."

.1104 GENERAL LIMITATIONS

(a) Home inspections done in accordance with this Section are visual and are not technically exhaustive.

(b) This Section applies to buildings with four or fewer dwelling units, and individually owned residential units within multi-family buildings, and their attached garages or carports.

.1105 GENERAL EXCLUSIONS:

(a) Home inspectors are not required to report on:

- (1) Life expectancy of any component or system;
- (2) The causes of the need for a repair;
- (3) The methods, materials, and costs of corrections;
- (4) The suitability of the property for any specialized use;
- (5) Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions;

- (6) The market value of the property or its marketability;
- (7) The advisability or inadvisability of purchase of the property;
- (8) Any component or system that was not observed;
- (9) The presence or absence of pests such as wood damaging organisms, rodents, or insects; or
- (10) Cosmetic items, underground items, or items not permanently installed.

(b) Home inspectors are not required to:

- (1) Offer warranties or guarantees of any kind;
- (2) Calculate the strength, adequacy, or efficiency of any system or component;
- (3) Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons;
- (4) Operate any system or component that is shut down or otherwise inoperable;
- (5) Operate any system or component that does not respond to normal operating controls;
- (6) Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility;
- (7) Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to toxins, carcinogens, noise, contaminants in the building or in soil, water, and air;
- (8) Determine the effectiveness of any system installed to control or remove suspected hazardous substances;
- (9) Predict future condition, including but not limited to failure of components;
- (10) Project operating costs of components;
- (11) Evaluate acoustical characteristics of any system or component; or
- (12) Observe special equipment or accessories that are not listed as components to be observed in this Section.

(c) Home inspectors shall not:

- (1) Offer or perform any act or service contrary to law; or
- (2) Offer or perform engineering, architectural, plumbing, electrical or any other job function requiring an occupational license in the jurisdiction where the inspection is taking place, unless the home inspector holds a valid occupational license, in which case the home inspector shall inform the client that the home inspector is so licensed, and therefore qualified to go beyond this section and perform additional inspections beyond those within the scope of the basic inspection.

.1106 STRUCTURAL COMPONENTS

(a) The home inspector shall observe structural components including:

- (1) Foundation;
- (2) Floors;
- (3) Walls;
- (4) Columns or piers;
- (5) Ceilings; and
- (6) Roofs.

(b) The home inspector shall describe the type of:

- (1) Foundation;

- (2) Floor structure;
 - (3) Wall structure;
 - (4) Columns or piers;
 - (5) Ceiling structure; and
 - (6) Roof structure.
- (c) The home inspector shall:
- (1) Probe structural components where deterioration is suspected;
 - (2) Enter under floor crawl spaces, basements, and attic spaces except when access is obstructed, when entry could damage the property, or when dangerous or adverse situations are suspected;
 - (3) Report the methods used to observe under floor crawl spaces and attics; and
 - (4) Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.

.1107 EXTERIOR

- (a) The home inspector shall observe:
- (1) Wall cladding, flashings, and trim;
 - (2) Entryway doors and a representative number of windows;
 - (3) Garage door operators;
 - (4) Decks, balconies, stoops, steps, areaways, porches and applicable railings;
 - (5) Eaves, soffits, and fascias; and
 - (6) Vegetation, grading, drainage, driveways, patios, walkways, and retaining walls with respect to their effect on the condition of the building.
- (b) The home inspector shall:
- (1) Describe wall cladding materials;
 - (2) Operate all entryway doors and a representative number of windows;
 - (3) Operate garage doors manually or by using permanently installed controls for any garage door operator;
 - (4) Report whether or not any garage door operator will automatically reverse or stop when meeting reasonable resistance during closing; and
 - (5) Probe exterior wood components where deterioration is suspected.
- (c) The home inspector is not required to observe:
- (1) Storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories;
 - (2) Fences;
 - (3) Presence of safety glazing in doors and windows;
 - (4) Garage door operator remote control transmitters;
 - (5) Geological conditions;
 - (6) Soil conditions;
 - (7) Recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities);
 - (8) Detached buildings or structures; or
 - (9) Presence or condition of buried fuel storage tanks.

.1108 ROOFING

- (a) The home inspector shall observe:
- (1) Roof coverings;
 - (2) Roof drainage systems;
 - (3) Flashings;
 - (4) Skylights, chimneys, and roof penetrations; and
 - (5) Signs of leaks or abnormal condensation on building components.
- (b) The home inspector shall:
- (1) Describe the type of roof covering materials; and
 - (2) Report the methods used to observe the roofing.
- (c) The home inspector is not required to:
- (1) Walk on the roofing; or

(2) Observe attached accessories including but not limited to solar systems, antennae, and lightning arrestors.

.1109 PLUMBING

- (a) The home inspector shall observe:
- (1) Interior water supply and distribution system, including: piping materials, supports, and insulation; fixtures and faucets; functional flow; leaks; and cross connections;
 - (2) Interior drain, waste, and vent system, including: traps; drain, waste, and vent piping; piping supports and pipe insulation; leaks; and functional drainage;
 - (3) Hot water systems including: water heating equipment; normal operating controls; automatic safety controls; and chimneys, flues, and vents;
 - (4) Fuel storage and distribution systems including: interior fuel storage equipment, supply piping, venting, and supports; leaks; and
 - (5) Sump pumps.
- (b) The home inspector shall describe:
- (1) Water supply and distribution piping materials;
 - (2) Drain, waste, and vent piping materials;
 - (3) Water heating equipment; and
 - (4) Location of main water supply shutoff device.
- (c) The home inspector shall operate all plumbing fixtures, including their faucets and all exterior faucets attached to the house, except where the flow end of the faucet is connected to an appliance.
- (d) The home inspector is not required to:
- (1) State the effectiveness of anti-siphon devices;
 - (2) Determine whether water supply and waste disposal systems are public or private;
 - (3) Operate automatic safety controls;
 - (4) Operate any valve except water closet flush valves, fixture faucets, and hose faucets;
 - (5) Observe:
 - (A) Water conditioning systems;
 - (B) Fire and lawn sprinkler systems;
 - (C) On-site water supply quantity and quality;
 - (D) On-site waste disposal systems;
 - (E) Foundation irrigation systems;
 - (F) Spas, except as to functional flow and functional drainage;
 - (G) Swimming pools;
 - (H) Solar water heating equipment; or
 - (6) Observe the system for proper sizing, design, or use of proper materials.

.1110 ELECTRICAL

- (a) The home inspector shall observe:
- (1) Service entrance conductors;
 - (2) Service equipment, grounding equipment, main overcurrent device, and main and distribution panels;
 - (3) Amperage and voltage ratings of the service;
 - (4) Branch circuit conductors, their overcurrent devices, and the compatibility of their ampacities and voltages;
 - (5) The operation of a representative number of installed ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls;
 - (6) The polarity and grounding of all receptacles within six feet of interior plumbing fixtures, and all receptacles in the garage or carport, and on the exterior of inspected structures;
 - (7) The operation of ground fault circuit interrupters; and
 - (8) Smoke detectors.
- (b) The home inspector shall describe:
- (1) Service amperage and voltage;
 - (2) Service entry conductor materials;
 - (3) Service type as being overhead or underground; and
 - (4) Location of main and distribution panels.

- (c) The home inspector shall report any observed aluminum branch circuit wiring.
- (d) The home inspector shall report on presence or absence of smoke detectors, and operate their test function, if accessible, except when detectors are part of a central system.
- (e) The home inspector is not required to:
 - (1) Insert any tool, probe, or testing device inside the panels;
 - (2) Test or operate any overcurrent device except ground fault circuit interrupters;
 - (3) Dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels; or
 - (4) Observe:
 - (A) Low voltage systems;
 - (B) Security system devices, heat detectors, or carbon monoxide detectors;
 - (C) Telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; or
 - (D) Built-in vacuum equipment.

.1111 HEATING

- (a) The home inspector shall observe permanently installed heating systems including:
 - (1) Heating equipment;
 - (2) Normal operating controls;
 - (3) Automatic safety controls;
 - (4) Chimneys, flues, and vents, where readily visible;
 - (5) Solid fuel heating devices;
 - (6) Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and
 - (7) The presence of an installed heat source in each room.
- (b) The home inspector shall describe:
 - (1) Energy source; and
 - (2) Heating equipment and distribution type.
- (c) The home inspector shall operate the systems using normal operating controls.
- (d) The home inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance.
- (e) The home inspector is not required to:
 - (1) Operate heating systems when weather conditions or other circumstances may cause equipment damage;
 - (2) Operate automatic safety controls;
 - (3) Ignite or extinguish solid fuel fires; or
 - (4) Observe:
 - (A) The interior of flues;
 - (B) Fireplace insert flue connections;
 - (C) Humidifiers;
 - (D) Electronic air filters; or
 - (E) The uniformity or adequacy of heat supply to the various rooms.

.1112 CENTRAL AIR CONDITIONING

- (a) The home inspector shall observe:
 - (1) Central air conditioning systems including:
 - (A) Cooling and air handling equipment; and
 - (B) Normal operating controls.
 - (2) Distribution systems including:
 - (A) Fans, pumps, ducts and piping, with associated supports, dampers, insulation, air filters, registers, fan-coil units; and
 - (B) The presence of an installed cooling source in each room.
- (b) The home inspector shall describe:
 - (1) Energy sources; and
 - (2) Cooling equipment type.
- (c) The home inspector shall operate the systems using normal operating controls.

(d) The home inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance

(e) The home inspector is not required to:

- (1) Operate cooling systems when weather conditions or other circumstances may cause equipment damage;
- (2) Observe non-central air conditioners; or
- (3) Observe the uniformity or adequacy of cool-air supply to the various rooms.

.1113 INTERIORS

(a) The home inspector shall observe:

- (1) Walls, ceiling, and floors;
- (2) Steps, stairways, balconies, and railings;
- (3) Counters and a representative number of cabinets; and
- (4) A representative number of doors and windows.

(b) The home inspector shall:

- (1) Operate a representative number of windows and interior doors; and
- (2) Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.

(c) The home inspector is not required to observe:

- (1) Paint, wallpaper, and other finish treatments on the interior walls, ceilings, and floors;
- (2) Carpeting; or
- (3) Draperies, blinds, or other window treatments.

.1114 INSULATION AND VENTILATION

(a) The home inspector shall observe:

- (1) Insulation and vapor retarders in unfinished spaces;
- (2) Ventilation of attics and foundation areas;
- (3) Kitchen, bathroom, and laundry venting systems; and
- (4) The operation of any readily accessible attic ventilation fan, and, when temperature permits, the operation of any readily accessible thermostatic control.

(b) The home inspector shall describe:

- (1) Insulation in unfinished spaces; and
- (2) Absence of insulation in unfinished space at conditioned surfaces.

(c) The home inspector is not required to report on:

- (1) Concealed insulation and vapor retarders; or
- (2) Venting equipment that is integral with household appliances.

.1115 BUILT-IN KITCHEN APPLIANCES

(a) The home inspector shall observe and operate the basic functions of the following kitchen appliances:

- (1) Permanently installed dishwasher, through its normal cycle;
- (2) Range, cook top, and permanently installed oven;
- (3) Trash compactor;
- (4) Garbage disposal;
- (5) Ventilation equipment or range hood; and
- (6) Permanently installed microwave oven.

(b) The home inspector is not required to observe:

- (1) Clocks, timers, self-cleaning oven function, or thermostats for calibration or automatic operation;
- (2) Non built-in appliances; or
- (3) Refrigeration units.

(c) The home inspector is not required to operate:

- (1) Appliances in use; or
- (2) Any appliance that is shut down or otherwise inoperable.

.1116 CODE OF ETHICS

(a) Licensees shall discharge their duties with fidelity to the public, their clients, and with fairness and impartiality to all.

(b) Opinions expressed by licensees shall only be based on their education, experience, and honest convictions.

(c) A licensee shall not disclose any information about the results of an inspection without the approval of the client for whom the inspection was performed, or the client's designated representative.

(d) No licensee shall accept compensation or any other consideration from more than one interested party for the same service without the consent of all interested parties.

(e) No licensee shall accept or offer commissions or allowances, directly or indirectly, from other parties dealing with the client in connection with work for which the licensee is responsible.

(f) No licensee shall express, within the context of an inspection, an appraisal or opinion of the market value of the inspected property.

(g) Before the execution of a contract to perform a home inspection, a licensee shall disclose to the client any interest 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.

(h) Licensees shall not engage in false or misleading advertising or otherwise misrepresent any matters to the public.

SECTION .1200 - HOME INSPECTOR DISCIPLINARY ACTIONS

.1201 DEFINITIONS

The following definitions are used in this Section:

(1) 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".

(2) "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".

(3) "Party" means the Board, the licensee, or an interferon 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).

(4) "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 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.

.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.

(b) An information memo containing instructions for filing the complaint shall be mailed to anyone requesting complaint information from the Board.

(c) The complaint shall specifically identify the licensee and describe the conduct complained about.

(d) Supporting information shall be included to justify the complaint. Supporting information shall refer to specific 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 must 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. 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.

(f) The Board shall not consider services that are under the jurisdiction of other regulatory agencies or licensing boards, such as, termite inspections, appraisals, services rendered by licensed architects, engineers, or general contractors, unless the persons rendering those services claim to be home inspectors.

(g) 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.

.1203 BOARD STAFF

The Engineering Division shall verify whether the allegations listed in complaints are violations of the Standards of Practice, Code of Ethics, or of the General Statutes.

.1204 INVESTIGATION

(a) On receipt of a complaint conforming to this Section, the Engineering Division shall make an investigation of the charges and issue a report. The report shall address each item alleged to be a violation of these rules or of the General Statutes.

(b) A copy of the complaint shall be mailed to the home inspector. The inspector shall submit a written response to the Engineering Division within two weeks after receipt of the copy of the complaint.

(c) A copy of the report shall be mailed to the complainant and to the inspector.

(d) The report shall state that the complaint either has or lacks sufficient evidence to support the allegations in the complaint.

(e) If the report states that the allegations lack sufficient evidence, the Engineering Division shall:

(1) Advise the complainant in writing that the evidence was insufficient to support the allegations in the complaint.

(2) Advise the complainant that the complaint may be reviewed by a committee of Board members appointed by the Chairman to determine whether the finding of the Engineering Division is correct.

(3) Advise the complainant that the complainant must make a written request for the review and must state in the request the reasons why the complainant is of the opinion the Engineering Division's determination is incorrect.

(4) If the complainant makes a written request for review by a committee of Board members, the chairman shall appoint the committee. The committee shall review the report and the complainant's documentation. If the committee finds that the allegations are unsupported by the evidence, the Engineering Division shall advise the complainant in writing that the committee has concurred with the Engineering Division's conclusion that the complaint lacks sufficient evidence to support the allegations in the complaint.

.1205 DISCIPLINARY HEARING

If there are findings in the report or by the review committee that there is sufficient evidence to support the allegations in the complaint, the Board shall fix a time and place for a disciplinary hearing and give notice to the licensee. The disciplinary hearing shall be held in accordance with GS 150B, Article 3A and this Section.

.1206 PRESIDING OFFICER

In all contested case hearings before the Board, the Chairman of the Board shall serve as presiding officer. In the absence of the Chairman, the Vice-Chairman shall serve as presiding officer, or a presiding officer shall be elected by the Board.

.1207 PREHEARING CONFERENCE

Upon the request of any party or upon the presiding officer's own motion, the presiding officer may hold a prehearing conference before a contested case hearing. A prehearing conference on the simplification of issues, amendments, stipulations, or other matters may be entered on the record or may be made the subject of an order by the presiding officer. Venue for purposes of a prehearing conference shall

be determined in accordance with GS 150B-38(e).

.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.

.1209 FINAL BOARD ORDER

(a) After the close of a contested case hearing, the Board shall meet and determine if the licensee engaged in the conduct alleged and the appropriate penalty, including requiring the licensee to take training or education courses, probation, letter of reprimand, or license suspension or revocation.

(b) If a final Board order is to suspend, revoke, place on probation, or refuse to issue a license, the order shall set forth any conditions that must be met in order to remove the suspension or probation, to reissue the license, or to issue the license.

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

(d) Transcript costs incurred by the Board shall be paid by the party or parties requesting a transcript. Any other costs incurred by the Board when using a professional court reporter shall be paid by the requesting party or parties.

(e) A 24-hour cancellation notice shall be required in all cases. The party or parties responsible for the cancellation shall be responsible for any cancellation fees charged by a professional court reporter.

(f) Transcripts of proceedings during which oral evidence is presented shall be made only upon request of a party. Transcript costs shall include the cost of an original for the Board. An attorney requesting a transcript on behalf of a party shall be a guarantor of payment of the cost. Cost shall be determined under supervision of the presiding officer who, in cases deemed to be appropriate by him, may require an advance security deposit to cover the prospective cost. The security deposit shall be applied to the actual cost and any excess shall be returned to the party that submitted it.

(g) Copies of tapes shall be available upon written request at cost of reproduction and postage.

(h) Copies of Board hearings tapes or non-Board certified transcripts therefrom shall not be part of the official record.

1300 HOME INSPECTOR CONTINUING EDUCATION

.1301 DEFINITIONS

(a) As used in this Section:

(1) "Credit hour". -- One continuing education course classroom hour, comprising at least 50 minutes of instruction.

(2) "License period". -- October 1 through the following September 30.

(3) "Licensee". -- A home inspector or associate home inspector licensed by the Board under Article 9F of Chapter 143 of the General Statutes and Section .1000 of this Chapter.

(b) The definitions contained in G.S. 143-151.45 apply to this Section and are incorporated into this Section by reference.

.1302 RENEWAL OF ACTIVE LICENSE.

(a) In order to renew an active home inspector or associate home inspector license for license periods beginning on or after October 1, 1999, the licensee shall have completed, during the license period, the following number of credit hours:

(1) From October 1, 1998 through September 15, 1999: eight credit hours.

(2) From October 1, 1999 through September 15, 2000: 12 credit hours.

(3) Each subsequent license period: 12 credit hours.

(b) A licensee who is initially licensed on or after June 1 is exempt from this Section for the following license period.

.1303 INACTIVE LICENSE

A person holding an inactive license is not subject to this Section. In order to change a license from inactive status to active status, the licensee must complete the same number of continuing education credit hours that would have been required for an active license during the period of inactive status; but not more than 16 credit hours.

.1304 REPETITION OF COURSES

(a) The same continuing education course may be taken only once for continuing education credit during any three year period.

(b) For each license period the Board shall specify mandatory subject matter for one course, such course to be not less than two nor more than four credit hours. The remaining courses shall be elective courses covering subject matter to be chosen by the licensee and meeting all other criteria specified in this Section.

(c) Each course shall comprise of at least one credit hour.

.1305 ATTENDANCE REQUIREMENTS

In order to receive credit for completing a continuing education course, a licensee must attend at least ninety percent (90%) of the scheduled classroom hours for the course, regardless of the length of the course.

.1306 EXTENSIONS OF TIME

A licensee may request and be granted an extension of time to satisfy the continuing education requirement for a particular license period if the licensee provides evidence to the Board that the licensee was unable to obtain the necessary education because of an incapacitating illness or other circumstance that:

- (a) Existed for a substantial portion of the license period;
- (b) Constituted a severe and verifiable hardship; and
- (c) Made it impossible or unreasonably burdensome to comply with the continuing education requirement.

.1307 DENIAL OR WITHDRAWAL OF CREDIT

(a) The Board shall deny continuing education credit claimed by a licensee, and shall withdraw continuing education credit previously awarded by the Board to a licensee if:

- (1) The licensee unintentionally provided incorrect or incomplete information to the Board concerning continuing education or compliance with this Section; or
- (2) The licensee was mistakenly awarded continuing education credit because of an administrative error; or
- (3) The licensee failed to comply with the attendance requirement established by Rule .1305 of this Section.

(b) When continuing education credit is denied or withdrawn by the Board under Paragraph (a)(1) or (a)(2) of this Rule, the Board shall, upon request of the licensee, grant the licensee an extension of time to satisfy the continuing education requirement. When continuing education credit is denied or withdrawn by the Board under Paragraph (a)(3) of this Rule, the licensee remains responsible for satisfying the continuing education requirement.

.1308 DUTIES OF LICENSEES TO SHOW PROOF OF COMPLIANCE

(a) In order to receive credit from the Board for completion of continuing education courses under this Section, a licensee must provide documentation to the Board, on a form prescribed by the Board, no later than September 15, that:

- (1) The continuing education course or courses taken and completed by the licensee:
 - (A) Comprised at least one credit hour; and
 - (B) Contained subject matter that was directly related to the practice of home inspection. Examples of course subject matter that are acceptable to the Board for credit include: Topics directly related to systems and components listed in the Standards of Practice and Code of Ethics in Section .1100 of this Chapter, report writing, and inspection procedures and practices. Examples of subject matter that are not acceptable include: Sales and marketing

topics, general business management, office procedures, success training, personal development, radon testing and time management.

(2) The licensee:

(A) Had an opportunity to interact directly either in person or by interactive television with the instructor at all times during the course; or

(B) Took a written examination after course completion if the course comprised correspondence instruction or media-based instruction, such as videotape, remote non-interactive television, or computer programs.

(C) Verified completion of the course if the course was based on alternate educational practices, such as computer-assisted instruction or videotape instruction; and

(D) Complied with Rule .1304 of this Section.

(b) The documentation filed by the licensee with the Board shall include:

(1) A course outline provided by the course sponsor showing the details of the course content; and

(2) In the case of traditional classroom course, a course completion certificate provided by the course sponsor indicating the licensee's completion of the course (or attendance for at least 90% of the allotted time); or

(3) In the case of alternate education courses (such as videotape, computer-assisted, audio tape, or correspondence courses) a course completion certificate provided by the course sponsor certifying that the sponsor has verified that the licensee has passed a written examination based on the course subject matter, or submitted equivalent proof of completion to the sponsor.