

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 86/2

9937 HOUSE LABOR & COMMERCE

1 (b) Contractual provisions that purport to limit the liability of a home inspector  
2 to the cost of the home inspection report are contrary to public policy and void.

3 **Sec. 08.57.840. Limitation on activities.** A license or registration issued  
4 under this chapter does not authorize the holder to perform an activity for which a  
5 license is required under provisions of AS 08 that are outside of this chapter.

6 **Article 6. General Provisions.**

7 **Sec. 08.57.900. Exemptions.** (a) Notwithstanding other provisions of this  
8 chapter, an individual who performs a home inspection is not required to be licensed  
9 or registered under this chapter if the individual is

10 (1) employed by the federal or state government, a political subdivision  
11 of the state, or a municipality or unincorporated community and the employee is  
12 performing only duties that are within the employee's official duties;

13 (2) licensed under another provision of state law and is performing only  
14 activities that are within the scope of that license; or

15 (3) performing a home inspection only with respect to property that is  
16 the individual's residence or in which the individual has a financial interest.

17 (b) Notwithstanding other provisions of this chapter, each of the following  
18 individuals may prepare and certify a home inspection report that the individual has  
19 prepared without having to obtain a license or registration under this chapter:

20 (1) an individual registered as an engineer and authorized under  
21 AS 08.48.101 and 08.48.221 and regulations adopted under those statutes to use the  
22 seal of a civil engineer if the individual affixes the individual's seal to the report; and

23 (2) an individual engaged as an engineer in training who works for and  
24 is supervised by a person described in (1) of this subsection and the person described  
25 in (1) of this subsection affixes the person's seal to the report.

26 **Sec. 08.57.990. Definitions.** In this chapter,

27 (1) "board" means the Board of Home Inspectors;

28 (2) "department" means the Department of Community and Economic  
29 Development;

30 (3) "home inspection" means an inspection of the condition of a  
31 residence or intended residence performed for compensation on behalf of a prospective

1 buyer, seller, or lender in a real estate transaction or on behalf of the owner of the  
2 residence;

3 (4) "joint license" means a license that authorizes an individual to  
4 inspect both new construction and previously occupied residences;

5 (5) "real estate transaction" means the transfer or attempted transfer of  
6 an interest in a unit of real property or an act conducted as a result of or in pursuit of  
7 a contract to transfer an interest in a unit of real property.

8 \* Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

9 (3) Board of Home Inspectors (AS 08.57.010).

10 \* Sec. 3. AS 08.03.010(c) is amended by adding a new paragraph to read:

11 (22) Board of Home Inspectors (AS 08.57.010) -- June 30, 2004.

12 \* Sec. 4. AS 18.56.300(b) is amended to read:

13 (b) As a condition of a commitment to purchase or approve a loan under this  
14 section for residential housing the construction of which begins after June 30, 1992,  
15 the corporation shall require inspection of the unit of residential housing that is the  
16 subject of the loan. The inspection must be performed by a municipal building  
17 inspector, by a person who is approved or certified to perform residential inspections  
18 by the International Conference of Building Officials or the International Association  
19 of Electrical Inspectors, by an individual who is licensed or registered under  
20 AS 08.57.050 to perform home inspections, or, when the unit of residential housing  
21 is located in a rural area, by an architect licensed under AS 08.48, by an engineer  
22 licensed under AS 08.48, or by another person approved by the corporation. When the  
23 unit of residential housing is located in a rural area, the person who makes the  
24 inspection may use methods other than a personal physical inspection to make the  
25 inspection if the method is approved by the corporation, and variations from the  
26 applicable code may be accepted at the corporation's discretion, if the person  
27 authorized to inspect the unit under this subsection satisfies the corporation that the  
28 variation does not adversely affect the structural integrity of the unit or the health and  
29 safety of the residents. The person who makes the inspection shall determine whether  
30 the construction conforms to relevant provisions of the construction codes of the  
31 municipality or of the state building code, as applicable, at each of the following stages

1 of construction:

- 2 (1) plan approval;
- 3 (2) completion of footings and foundations;
- 4 (3) completion of electrical installation, plumbing, and framing;
- 5 (4) completion of installation of insulation;
- 6 (5) final approval.

7 \* Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:

8 (60) Board of Home Inspectors.

9 \* Sec. 6. AS 45.50.471(b) is amended by adding a new paragraph to read:

10 (43) violating AS 08.57.830.

11 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section  
12 to read:

13 REGULATIONS. The Board of Home Inspectors may proceed to adopt regulations  
14 to implement this Act. A regulation adopted under this section takes effect under AS 44.62  
15 (Administrative Procedure Act) but not before the effective date of the law implemented by  
16 the regulation.

17 \* Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section  
18 to read:

19 INTIAL BOARD MEMBERS. Notwithstanding AS 08.57.010, added by sec. 1 of this  
20 Act, the three home inspectors appointed to the initial Board of Home Inspectors are not  
21 required to be licensed as home inspectors before appointment but must be licensed as home  
22 inspectors in order to be appointed or reappointed after expiration of their first term in office.

23 \* Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section  
24 to read:

25 TRANSITIONAL LICENSING PROVISIONS. (a) Notwithstanding AS 08.57, added  
26 by sec. 1 of this Act, the Board of Home Inspectors shall issue a joint license that is valid  
27 until January 1, 2002, to an individual who submits to the board satisfactory evidence of being  
28 in the business of home inspection in the state at the time of application for a license under  
29 this subsection and of having

30 (1) been in the business of home inspection in the state on October 1, 1999;

31 or

*Combination dwelling inspector exam*

1 (2) passed the building inspector examination or property maintenance and  
2 housing inspector examination given by the International Conference of Building Officials.

3 (b) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home  
4 Inspectors shall issue a license to practice home inspection of previously occup'ed residences  
5 that is valid until January 1, 2002, to an individual who submits to the board satisfactory  
6 evidence of being in the business of home inspection in the state at the time of application for  
7 a license under this subsection and of having passed

8 (1) the national home inspector examination given by the American Society  
9 of Home Inspectors; or

10 (2) the examination of the Examination Board of Professional Home Inspectors.

11 (c) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home  
12 Inspectors shall issue a license to practice home inspection of new construction that is valid  
13 until January 1, 2002, to an individual who submits to the board satisfactory evidence of being  
14 in the business of home inspection in the state at the time of application for a license under  
15 this subsection and of having passed the combination inspector examination or the  
16 combination dwelling inspector examination given by the International Conference of Building  
17 Officials.

18 (d) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home  
19 Inspectors shall grant registration as an associate home inspector that is valid until January 1,  
20 2002, to an individual who submits to the board satisfactory evidence of being employed by  
21 an individual who is in the business of home inspection and is licensed under this section or  
22 under AS 08.57.

23 (e) A license or registration issued under this section may not be renewed or extended.

24 (f) A license or registration issued under this section is considered to be a license or  
25 registration issued under AS 08.57, added by sec. 1 of this Act.

26 (g) In this section, "joint license" has the meaning given in AS 08.57.990, added by  
27 sec. 1 of this Act.

28 \* Sec. 10. AS 08.57.050, 08.57.090, 08.57.330(a), 08.57.800 - 08.57.820, enacted by sec. 1  
29 of this Act, and the amendment of AS 18.56.300(b), made by sec. 4 of this Act, take effect  
30 July 1, 2001.

31 \* Sec. 11. Except as provided in sec. 10 of this Act, this Act takes effect immediately

1 under AS 01.10.070(c).

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10/19/99

*10/21/99 adopted as working document.*

**OCT 19 1999**

**CS FOR HOUSE BILL NO. 207(L&C)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVE ROKEBERG**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the licensure and registration of persons who perform home  
2 inspections; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* Section 1. AS 08 is amended by adding a new chapter to read:

5 **Chapter 57. Home Inspectors.**

6 **Article 1. Board of Home Inspectors.**

7 **Sec. 08.57.010. Creation and membership of board.** There is created the  
8 Board of Home Inspectors consisting of five members. Three members shall be  
9 licensed home inspectors who have been engaged in the practice of home inspection  
10 in the state for three years immediately preceding appointment, one member shall be  
11 a licensed real estate broker or certified real estate appraiser, and one member shall be  
12 a public member.

13 **Sec. 08.57.020. General duties.** The board shall

14 (1) administer and enforce this chapter;

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- (2) regulate the practice of home inspection;
- (3) establish standards for continuing education of home inspectors;
- (4) adopt a code of ethics for home inspectors;
- (5) develop a checklist to be used by home inspectors under AS 08.57.820; the checklist must include elements related to health and safety, hazards, code compliance, short-term maintenance and repair needs, comfort and convenience, small points, good points, disclaimers, and other noteworthy observations; and
- (6) in addition to the meeting required under AS 08.01.070(2), meet when requested by a majority of the members of the board.

**Sec. 08.57.030. Meetings.** The board may meet by teleconference.

**Article 2. Licensure.**

**Sec. 08.57.050. Licensure required.** (a) Unless exempt under AS 08.57.900 or serving lawfully as an associate home inspector under (b) of this section, a person may not perform a home inspection unless that person is licensed as a home inspector under this chapter. A partnership or joint venture shall be considered licensed if one of the general partners or venturers whose name appears in the name under which the partnership or venture does business is licensed.

(b) Notwithstanding (a) of this section, a person who is not licensed under this chapter may perform a home inspection as an associate home inspector if the person

- (1) is employed by a licensed home inspector who directly supervises the person's work;
- (2) is registered with the board as an associate home inspector; and
- (3) has not performed home inspections for more than two years without being licensed as a home inspector under this chapter.

(c) A home inspector who employs an associate home inspector under (b) of this section is liable for the work done by the associate home inspector.

**Sec. 08.57.060. Qualifications.** The board shall authorize the department to issue a home inspector license to a person who

- (1) passes a home inspection examination; the examination, which shall be written and practical, must test competence in relation to arctic structural and

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1 thermal construction techniques and other matters as determined by the board in  
2 consultation with representatives of the construction industry;

3 (2) applies for licensure within six months after passing the  
4 examination required under (1) of this section;

5 (3) within the seven years preceding the date of application, has not  
6 been under a sentence for an offense related to forgery, theft in the first or second  
7 degree, extortion, or conspiracy to defraud creditors or for a felony involving  
8 dishonesty; and

9 (4) pays the appropriate fees.

10 **Sec. 08.57.070. License renewal; continued competency.** (a) A home  
11 inspector license may not be renewed unless the applicant submits proof of continued  
12 competency relating to home inspecting that satisfies the board.

13 (b) A lapsed license may be reinstated within two years after the lapse upon  
14 proof of continued competency, payment of a renewal fee for the intervening time  
15 period, and payment of any penalty fee established under AS 08.01.100(b). If the  
16 license has been lapsed for more than two years, the license may not be reinstated until  
17 the person also passes the home inspection examination described in AS 08.57.060.

18 (c) The license of an applicant whose license has been revoked or suspended  
19 or against whom a fine has been imposed under this chapter may not be renewed until  
20 the period of revocation or suspension has expired and any fine has been paid.

21 **Sec. 08.57.080. Fees.** (a) The department shall set fees under AS 08.01.065  
22 for

23 (1) licensure and renewal of licensure for a home inspector;

24 (2) registration as an associate home inspector;

25 (3) examination for a home inspector; and

26 (4) board and departmental publications and seminars related to this  
27 chapter.

28 (b) A person who fails a home inspector examination shall pay the  
29 examination fee set by the department if the person applies to retake an examination.

30 **Sec. 08.57.090. Identification requirements.** (a) Except as provided  
31 otherwise by law, a person who is licensed under one name as required by this chapter

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1 may not act in the capacity of a home inspector under any other name unless the  
2 person is also licensed under that name.

3 (b) All advertising, contracts, correspondence, cards, signs, posters, papers, and  
4 documents prepared by a home inspector for the home inspection business must show  
5 the home inspector's name, mailing address, and address of the home inspector's  
6 principal place of business. Advertising and contracts must also include the home  
7 inspector's license number.

8 (c) Individual home inspectors and partners, associates, agents, salespeople,  
9 solicitors, officers, and employees of home inspectors shall use their true names and  
10 addresses and the true name of the home inspecting firm at all times while acting in  
11 the capacity of a home inspector or performing related activities.

12 **Article 3. Insurance Requirements.**

13 **Sec. 08.57.200. Types of insurance.** (a) Each applicant, at the time of  
14 applying for licensure or for renewal of licensure, shall file with the board satisfactory  
15 evidence that the applicant has in effect

16 (1) to the extent required under AS 23.30, workers' compensation  
17 insurance that is purchased from a private insurer who is admitted to do business in  
18 the state and that shows coverage in this state, appropriate employee classifications,  
19 and rates applicable in this state, or a valid workers' compensation self-insurance  
20 certificate issued by the Alaska Workers' Compensation Board;

21 (2) public liability and property damage insurance covering the  
22 applicant's home inspecting operations in this state in the sum of not less than \$20,000  
23 for damage to property, \$50,000 for injury, including death, to any one person, and  
24 \$100,000 for injury, including death, to more than one person; and

25 (3) errors and omissions insurance in a minimum amount of \$250,000  
26 for each occurrence.

27 (b) An insurer shall notify the board of the intent to cancel or not renew an  
28 errors and omissions insurance policy provided to a licensed home inspector. The  
29 cancellation of renewal may not take effect until 10 days after the day on which the  
30 board receives the insurer's notice.

31 **Sec. 08.57.210. Advertising prohibition.** Home inspectors may not advertise

*revised*

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1 that they are insured simply because they have complied with the insurance  
2 requirements of this chapter.

3 Sec. 08.57.220. **Suspension of license.** If the insurance required in  
4 AS 08.57.200 ceases to be in effect, the license of the home inspector shall be  
5 suspended until the insurance has been reinstated.

6 **Article 4. Disciplinary Actions; Other Enforcement Mechanisms.**

7 Sec. 08.57.300. **Grounds for disciplinary sanctions or other license**  
8 **decisions.** The board may take disciplinary action authorized under AS 08.01.075 or  
9 refuse to grant or renew a home inspector's license or an associate home inspector's  
10 registration on a finding that

- 11 (1) the application is fraudulent or misleading;
- 12 (2) the person has knowingly violated this chapter or a lawful order or
- 13 regulation of the department or the board;
- 14 (3) the person is incompetent or has engaged in fraudulent practices
- 15 relating to home inspection.

16 Sec. 08.57.310. **Administrative Procedure Act applicable.** Proceedings for  
17 the denial, suspension, or revocation of a home inspector's license or of an associate  
18 home inspector's registration are governed by AS 44.62 (Administrative Procedure  
19 Act).

20 Sec. 08.57.320. **Injunction.** In an action instituted in the superior court by the  
21 board or the department, the court may enjoin a person from acting in the capacity of  
22 a home inspector in violation of this chapter. In addition to other relief, the court may  
23 impose a civil penalty of not more than \$250 for each violation. Each day that an  
24 unlawful act continues constitutes a separate violation.

25 Sec. 08.57.330. **Violations.** (a) A home inspector or a person acting in the  
26 capacity of a home inspector who knowingly violates AS 08.57.050 is guilty of a class  
27 B misdemeanor. A person who violates another provision of this chapter is guilty of  
28 a violation punishable under AS 12.

29 (b) Criminal prosecution for a violation of this chapter does not preclude the  
30 board or the department from seeking available civil remedies.

31 **Article 5. Miscellaneous Provisions.**

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**Sec. 08.57.800. Legal actions by home inspector.** A person acting in the capacity of a home inspector may not bring an action in a court of this state for the collection of compensation for the performance of a home inspection or for breach of a contract for which a license is required under this chapter without alleging and proving that the person was a licensed home inspector or registered associate home inspector at the time of contracting for the performance of the work.

**Sec. 08.57.810. Legal actions against home inspector.** A person may not bring an action against a home inspector or an associate home inspector based on the contents of or omissions in a written home inspection report prepared by the inspector unless the action is brought within one year after the date of the written report.

**Sec. 08.57.820. Inspection report required.** (a) Before performing a home inspection, a home inspector shall provide to the person on whose behalf a home is inspected a written document specifying

(1) the scope of intended inspection, including the structural elements, systems, and subsystems that will be inspected according to the checklist developed by the board under AS 08.57.020;

(2) that the inspection will be visual; and *[eliminate]*

(3) that the home inspector will notify in writing the person on whose behalf the inspection is being made of defects noted during the inspection along with a recommendation, if any, that experts be retained to determine the extent of defects and corrective action necessary to address the defects.

(b) After performing a home inspection, a home inspector shall provide to the person on whose behalf the inspection was performed a completed checklist of the type developed under AS 08.57.020 and a written description of defects noted during the inspection along with a recommendation, if any, that experts be retained to determine the extent and corrective action necessary to address the defects. ~~The home inspector's compensation for performing the home inspection and writing the report is due upon presentation of the checklist and other information required under this subsection unless the home inspector waives this payment requirement in writing.~~

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**Sec. 08.57.830. Prohibited acts.** (a) A person licensed or registered under this chapter, a company that employs a person licensed or registered under this chapter,

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or a company that is controlled by a company that also has a financial interest in a company employing a person licensed or registered under this chapter may not

(1) perform or offer to perform, for an additional fee, repairs to a structure on which the home inspector or the home inspector's company has prepared a home inspection report in the past 12 months;

(2) inspect for a fee any property in which the home inspector or the home inspector's company has a financial interest or an interest in the transfer of the property;

(3) offer or deliver compensation, an inducement, or a reward to the owner of the inspected property, the broker, or the agent, for the referral of business to the home inspector or the home inspector's company;

(4) without the written consent of the home inspection client or the client's legal representative, disclose information from a home inspection report prepared by the home inspector or the home inspector's company;

(5) without the written consent of all interested parties, accept compensation from more than one interested party for the same services;

(6) accept from a person who has other dealings with a home inspection client a commission or allowance, directly or indirectly, for work for which the home inspector or the home inspector's company is responsible;

(7) accept an engagement to make an inspection or to prepare a report in which the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, preestablished findings, or the close of escrow.

(b) Contractual provisions that purport to limit the liability of a home inspector to the cost of the home inspection report are contrary to public policy and void.

**Sec. 08.57.840. Limitation on activities.** A license or registration issued under this chapter does not authorize the holder to perform an activity for which a license is required under provisions of AS 08 that are outside of this chapter.

**Article 6. General Provisions.**

**Sec. 08.57.900. Exemptions.** Notwithstanding other provisions of this chapter, a person who performs a home inspection is not required to be licensed or registered under this chapter if the person is

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(1) employed by the federal or state government, a political subdivision of the state, or a municipality or unincorporated community and the employee is performing only duties that are within the employee's official duties;

(2) licensed under another provision of state law and is performing only activities that are within the scope of the person's license; or

(3) performing a home inspection only with respect to property that is the person's residence or in which the person has a financial interest.

**Sec. 08.57.990. Definitions.** In this chapter,

(1) "board" means the Board of Home Inspectors;

(2) "commissioner" means the commissioner of community and economic development;

(3) "department" means the Department of Community and Economic Development;

(4) "home inspection" means a visual noninvasive inspection of the condition of a residence or intended residence performed for compensation on behalf of a prospective buyer, seller, or lender in a real estate transaction or on behalf of the owner of the residence;

(5) "real estate transaction" means the transfer or attempted transfer of an interest in a unit of real property or an act conducted as a result of or in pursuit of a contract to transfer an interest in a unit of real property.

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\* Sec. 4. AS 18.56.300(b) is amended to read:

(b) As a condition of a commitment to purchase or approve a loan under this section for residential housing the construction of which begins after June 30, 1992, the corporation shall require inspection of the unit of residential housing that is the subject of the loan. The inspection must be performed by a municipal building inspector, by a person who is <sup>is</sup> approved or certified to perform residential inspections by the International Conference of Building Officials or the International Association

*House Amendment*

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1 of Electrical Inspectors, by a person who is licensed or registered under  
2 AS 08.57.050 to perform home inspections, or, when the unit of residential housing  
3 is located in a rural area, by an architect licensed under AS 08.48, by an engineer  
4 licensed under AS 08.48, or by another person approved by the corporation. When the  
5 unit of residential housing is located in a rural area, the person who makes the  
6 inspection may use methods other than a personal physical inspection to make the  
7 inspection if the method is approved by the corporation, and variations from the  
8 applicable code may be accepted at the corporation's discretion, if the person  
9 authorized to inspect the unit under this subsection satisfies the corporation that the  
10 variation does not adversely affect the structural integrity of the unit or the health and  
11 safety of the residents. The person who makes the inspection shall determine whether  
12 the construction conforms to relevant provisions of the construction codes of the  
13 municipality or of the state building code, as applicable, at each of the following stages  
14 of construction:

- 15 (1) plan approval;
- 16 (2) completion of footings and foundations;
- 17 (3) completion of electrical installation, plumbing, and framing;
- 18 (4) completion of installation of insulation;
- 19 (5) final approval.

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27 to implement this Act. A regulation adopted under this section takes effect under AS 44.62  
28 (Administrative Procedure Act) but not before the effective date of the law implemented by  
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3 required to be licensed as home inspectors before appointment but must be licensed as home  
4 inspectors in order to be appointed or reappointed after expiration of their first term in office.

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7 TRANSITIONAL LICENSING PROVISIONS. (a) Notwithstanding AS 08.57, added  
8 by sec. 1 of this Act, the Board of Home Inspectors shall issue a license to practice home  
9 inspection that is valid until January 1, 2002, to a person who submits to the board satisfactory  
10 evidence of having been in the business of home inspection in the state on October 1, 1999,  
11 and of being in the business of home inspection in the state at the time of application for a  
12 license under this subsection.

13 (b) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home  
14 Inspectors shall issue a license to practice home inspection that is valid until January  
15 1, 2002, to a person who submits to the board satisfactory evidence of [REDACTED]  
16 [REDACTED] being in the  
17 business of home inspection in the state at the time of application for a license under  
18 this subsection, and of having

19 (1) passed the examination given by the American Society of Home  
20 Inspectors;

21 (2) passed the examination given by the International Conference of  
22 Building Officials;

23 (3) performed at least 500 home inspections of preexisting homes  
24 before October 1, 1999; or

25 (4) performed at least 200 home inspections of new construction before  
26 October 1, 1999.

27 (c) A license issued under this section may not be renewed or extended.

28 (d) A license issued under this section is considered to be a license issued  
29 under AS 08.57.

30 \* Sec. 10. AS 08.57.050, 08.57.090, 08.57.330(a), 08.57.800 - 08.57.820, enacted by sec. 1  
31 of this Act, and the amendment of AS 18.56.300(b), made by sec. 4 of this Act, take effect

*Need Associate  
Mansfield*

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on element*

WORK DRAFT

WORK DRAFT

I-LS0132AK

- 1 July 1, 2001.
- 2 \* Sec. 11. Except as provided in sec. 10 of this Act, this Act takes effect immediately
- 3 under AS 01.10.070(c).

# ALASKA STATE LEGISLATURE

## HOUSE LABOR AND COMMERCE COMMITTEE

Representative Norman Rokeberg, Chairman  
Representative Andrew Halcro, Vice-Chairman  
Representative John Harris  
Representative Lisa Murkowski  
Representative Jerry Sanders  
Representative Tom Brice  
Representative Sharon Cissna



State Capitol  
Juneau, AK 99801-1182  
Telephone: (907) 465-4954  
Fax: (907) 465-2040

### HOUSE BILL 207 (HOME INSPECTORS) COMMITTEE PACKET OCTOBER 21, 1999 - 10:00 A.M.

1. HB 207
2. Draft CS (L&C) for HB 207 (will be faxed as soon as received)
3. Sponsor Statement
4. Draft fiscal notes from Occupational Licensing
5. American Society of Home Inspectors, Inc. information on home inspector laws in other states.
6. Messages:
  - a. e-mail from Larry Gibson
  - b. e-mail from Trudy Formica
  - c. Letter from Michael A. Hendrickson
  - d. Letter from Building Analysis, Inc.
  - e. E-mail from John Keys
  - f. Letter from Alaska Housing Finance Corporation
  - g. E-mail from Peggy Kelly
  - h. E-mail from Niel Thomas re FHA/HUD Rules
7. Articles:
  - a. "Home Inspector Licensing, Ready or Not"
  - b. "Home-inspection bill would help buyers", Anchorage Daily News 27 June 1999
  - c. "Expert home inspections useful for buyer and seller", Anchorage Daily News 25 July 1999
  - d. "Homeowner beware", Senior Voice, April 1999
  - e. "Expert demystifies home inspectors", Alaska Journal of Commerce, April 12, 1999
  - f. "Should We Care Who the Buyer Chooses to Do a Home Inspection", REALTOR® News, September 1998
8. Additional information:
  - a. List of ICBO certified inspectors (active)
  - b. Information on American Association of Home Inspectors, including Code of Ethics and Standards of Practice
  - c. Information on National Association of Home Inspectors
  - d. Right and Duty to Inspect Addendum
  - e. Information from ASHI on National Home Inspectors Examination



# Alaska State Legislature

Representative Norman Rokeberg  
District 11 - Republican

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716 W 4th, Suite 640  
Anchorage, AK 99501-2133  
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*Fax:* (907) 269-0119

## Sponsor Statement for HB 207 License Home Inspectors

**An Act relating to the registration of persons who perform home inspections; and providing for an effective date.**

Updated: April 27, 1999

HB 207 will protect consumers and the home inspection industry by licensing home inspectors in Alaska.

Consumers deserve assurance that the home inspector they hire is competent, and that they have recourse against inspectors that are not. HB 207 accomplishes this by establishing licensing qualifications such as registration, bonding, insurance, and proof of competency via a written and practical examination. Home inspectors will also be required to provide consumers with an inspection report, using a standardized checklist comprised of elements deemed necessary by the industry for a thorough home inspection.

HB 207 also creates a mechanism by which claims may be filed against a home inspector, allows the Departments of Labor and Commerce and Economic Development to investigate alleged or apparent violations, and establishes disciplinary action for offenders. A faulty inspection could have serious consequences for consumers, particularly when they are buying or selling a home. Common sense dictates that home inspectors must be held accountable for their work.

I have met with representatives from the industry who agree licensure for home inspectors is a worthy goal. It will establish a competency level which will protect the name of the profession and shield consumers from faulty inspections.

I urge you to support this legislation.

###

# FISCAL NOTE

# DRAFT

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO. HB 207 (w/board)

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Commerce & Econ Dev.  
 Title An Act relating to the registration of persons who BRU Occupational Licensing  
perform home inspections... Component Occupational Licensing  
 Sponsor Representative Rokeberg  
 Requester Representative Rokeberg Component Serial No. 2360

### Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	41.4	41.4	41.4	41.4	41.4	41.4
Travel	17.4	17.4	17.4	17.4	17.4	17.4
Contractual	14.0	14.0	8.0	8.0	8.0	8.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	8.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>81.8</b>	<b>73.8</b>	<b>67.8</b>	<b>67.8</b>	<b>67.8</b>	<b>67.8</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )	155.8	0.0	135.6	0.0	135.8	0.0
------------------------	-------	-----	-------	-----	-------	-----

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	81.8	73.8	67.8	67.8	67.8	67.8
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>81.8</b>	<b>73.8</b>	<b>67.8</b>	<b>67.8</b>	<b>67.8</b>	<b>67.8</b>

Estimate of any current year (FY99) cost: 0.0

### POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

### ANALYSIS: (Attach a separate page if necessary)

The bill creates a five member Board of Home Inspectors. This fiscal note is based on the board holding at least three meetings each year. Also, examinations will be administered four times each year in accordance with Sec. 08.57.020(a)(1). An explanation of the costs shown above are attached.

Prepared by Jennifer Stricklor, Administrative Manager Phone 485-2144  
 Division Occupational Licensing Date/Time 9/30/99 5:38 PM  
 Approved by Commissioner Deborah B. Sedwick Date \_\_\_\_\_  
 Agency Commerce & Economic Development

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# With BOARD

# FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION  
ANALYSIS: (Continued)

BILL NO. HB 207 (w/board)  
DRAFT

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR HB 207 (w/board) - DRAFT

**PERSONAL SERVICES** **\$41.4**

1 - Occupational Licensing Examiner I position, FFT, Range 12

**TRAVEL** **17.4**

Assuming the Board consists of 5 members (2-Anchorage; 2-Juneau; 1-Fairbanks) and meetings are held each year in the following locations:

Anchorage Meeting (including 2 staff from Juneau)	\$3.9
Juneau Meeting	\$2.4
Fairbanks Meeting (including 2 staff from Juneau)	<u>\$5.1</u>
	11.4

Examinations administered by the board 4 times each year held once in each Judicial District. Costs are based on two days in each location to administer the written and practical exams. \$6.0

**CONTRACTUAL SERVICES** **\$14.0**

- Development of written and practical examinations \$6.0\*
- \* (This expense is eliminated after the first two years)
- 30 hours of AG legal time for regulations and license appeals 3.0
- Printing, postage communication, advertising costs 3.0
- Exam space rentals 2.0

**SUPPLIES** **\$1.0**

To fund daily operating supplies of the program.

**EQUIPMENT (one-time costs)** **\$8.0**

Office equipment and workstation set-up for the support position.

**TOTAL:** **\$81.8**

**REVENUE & FUND SOURCE:** Revenue will be generated by licensing fees sufficient to cover program costs. Approximately 100 home inspectors are expected to seek licensure and renew licenses biennially. Licensing fees are expected to cover direct costs plus approximately \$100 per licensee for division/department overhead for the two-year period. Based on 100 licensees, licensing fees are estimated to be \$918.00 for the first biennium, and adjusted to actual costs based on positive timekeeping for the first renewal.

AMERICAN SOCIETY OF HOME INSPECTORS, INC.<sup>®</sup>  
FAX TRANSMISSION COVER PAGE

DATE: 1.25.99  
TO: Tracey Zahradka  
FROM: Rob Paterkiewicz  
FAX #: 907/465-2040



*Important: This message is intended only for the use of the individual or entity to which it is addressed. If you have received this communication in error, please notify us immediately by telephone and return the original to us via postal service. Thank you.*

MESSAGE:

Please see attached breakdown - there is currently activity in Maine, Kansas and Illinois - others are sure to follow.

Please let me know how we can assist further.

Rob Paterkiewicz

This fax has 5 pages, including this cover page.  
Please call 847/759-2820 if any of these pages did not transmit properly.

**MARK YOUR CALENDARS!**

*Inspection '2000, the ASHI/CREIA Joint Conference, will be held  
January 16-19, 2000 at the Town & Country Hotel, in San Diego, California*

*ASHI's Information-On-Demand phone system (1-800-743-ASHI) and our website  
(www.ASHI.com) provide 24-hour access to the information you need!*

## Current Laws

**Alabama** -- The "Alabama Home Inspectors Registration Act" was signed into law in 1996. An applicant for registration must show proof of liability insurance and show evidence of one of the following: 1) membership in and adherence to the ethical standards of ASHI or an equivalent professional body; 2) current approval or certification by the United States Veterans Administration, the United States Department of Housing and Urban Development, the Southern Building Code Congress International, or the Council of American Building Officials; 3) a high school diploma or its equivalent, work experience for at least one year as a home inspector, and completion of at least 100 home inspections for compensation; or 4) current licensure in Alabama as a general contractor, architect, structural engineer, or residential home builder. A second law was passed in 1997 which amended the original Alabama Home Inspectors Registration Act. The law modified the liability insurance limits a home inspector is required to establish. The legislation authorized the Secretary of State to promulgate an Alabama Home Inspectors Code of Ethics and an Alabama Home Inspectors Standards of Practice.

**Arkansas** -- In March 1997, the Governor of Arkansas signed the "Arkansas Home Inspector Registration Act." It provides that all persons registered under the bill shall conduct inspections in adherence to the Standards of Practice and Code of Ethics of ASHI, the Arkansas Association of Real Estate Inspectors, or an equivalent professional home inspection association. In order to register under the law, an applicant must procure general liability insurance of at least \$100,000. The law also prohibits inspectors from performing repairs on a structure that he has inspected within the last 12 months.

**California** -- California passed a trade practice act in 1996. The law prohibits unethical home inspection practices. The law encourages courts to consider the Standards of Practice and Code of Ethics of ASHI and the California Real Estate Inspection Association when determining whether an inspection meets the required standard of care. It also prohibits home inspectors from repairing properties which they have inspected.

**Georgia** -- Georgia law requires home inspectors to provide written documents containing certain information with regard to inspections. This written document must include the scope of the inspection, including the structural elements and systems to be inspected, that the inspection is a visual inspection, and that the home inspector will notify, in writing, the person on whose behalf such inspection is being made of any defects noted during the inspection.

**Maryland** -- Maryland law requires home inspectors to disclose professional qualifications and the scope of inspection within the home inspection contract.

**Nevada** -- Chapter 475 of the Nevada statutes provides for the certification of home inspectors of structures by the Real Estate Division of the Department of Business and Industry. Applicants must submit proof that he has errors and omissions insurance of at least \$100,000 and general liability insurance of at least \$100,000. The law also provides that a purchaser may not recover damages from a seller on the basis of an error or omission in the disclosure form that was caused by the seller's reliance upon information provided to the seller by a certified inspector of real estate.

*New Jersey* -- The "Home Inspection Professional Licensing Act" was signed into law in January 1998. The law sets specific educational and experience requirements in order to become a licensed home inspector. All home inspectors are required to complete high school or its equivalent, serve as a licensed associate inspector for at least one year, perform at least 250 inspections, carry \$500,000 in insurance, and pass the ASHI exam. Inspectors do not have to be a member or candidate of ASHI in order to take the exam. In order to become a licensed associate home inspector under the law, an inspector must perform at least 50 inspections in the presence of a licensed inspector and pass the ASHI exam. Also, the law provides that if home inspectors fail to disclose problems or accept payment from another party in the transaction, they can lose their license. Home inspectors are regulated by a five-member Home Inspection Advisory Committee housed under the State Board of Professional Engineers and Land Surveyors.

*North Carolina* -- In 1993, the "Home Inspection Licensure Act" was signed into law. The law provides for the licensing and regulation of home inspectors through the creation of a Home Inspector Licensure Board. All home inspectors must be licensed by this Board. The law also provides certain requirements to be licensed. These include passing a licensing examination (based on the ASHI exam) and meeting educational conditions.

*Oregon* -- In 1997, legislation was passed and signed into law which requires home inspectors to be certified under the Construction Contractors Board, and allows that Board to establish competency testing, training, and continuing education requirements. Prior to the passage of that law, in 1992, the legislature passed a law requiring home inspectors to post bond and carry insurance.

*Rhode Island* -- A law was passed in 1996 which forbids home inspectors, pest control inspectors, and contractors from doing work on property which is inspected prior to real estate sales. The law was passed to help eliminate activities which could present a conflict of interest.

*South Carolina* -- In 1996, the South Carolina Legislature passed a law which requires any person desiring to be a licensed home inspector to file with the South Carolina Residential Builders Commission. The home inspector must show to the satisfaction of the Commission that he is currently certified as a home inspector by an organization recognized by the Commission, that he has a minimum of one year of experience as a home inspector under the supervision of a licensed inspector, and that he has performed a minimum of fifty residential inspections.

*Tennessee* -- Legislation regulating home inspectors was passed in 1997; however, it only applies to the inspection of new construction and authorizes such inspections if the inspector is a licensed contractor or certified by the state as a fire prevention officer or building official, Southern Building Code Congress, the Home Inspectors of Tennessee Association, or ASHI. Also, the law only applies to inspectors in certain counties.

*Texas* -- In 1991, Texas passed a law which requires full licensing of home inspectors. The law provided for examination and continuing education requirements. The law also required home inspector applicants to work as apprentice inspectors under the supervision of a professional licensed home inspector. That provision of the law was changed in 1997, due to an increasing problem of licensed home inspectors denying sponsorship of an apprentice in order to exclude competition. In 1997, a bill was passed and signed into law which removes the ability of a licensed home inspector to deny sponsorship of an apprentice. The law now allows for the substitution of educational coursework and an examination if an applicant is unable to obtain an apprenticeship. Under the Texas law, home inspectors are regulated by the Texas Real Estate Licensing Board, a revenue-neutral board comprised of home inspectors, a real estate agent, and several public members.

*Wisconsin* -- Wisconsin passed a law regulating home inspectors in April 1998. The law requires that home inspectors register with the State and pass an examination approved by the Department of Regulation and Licensing. The law instructs the Department to consider the use of an examination modeled after ASHI's examination. The law requires that a home inspector perform a "reasonably competent and diligent" inspection, however, the inspection is not required to be technically exhaustive. Home inspectors are prohibited from limiting their liability from damages resulting in a failure to conduct a "reasonably competent and diligent" inspection. Home inspectors can be held liable for damages up to two years following the inspection. Also, inspectors are prohibited from performing repairs, maintenance, or improvements to a structure that they have inspected within the last 2 years. An advisory committee comprised of six home inspectors and three public members is currently working on promulgating the rules under this law.



**AMERICAN SOCIETY OF HOME INSPECTORS,® INC.**

**ASHI POSITION STATEMENT ON REGULATION  
OF THE HOME INSPECTION PROFESSION**

The official position, adopted in June 1997, is:

Where regulation is determined to be advisable for the protection of public health, safety or welfare, it should include criteria at least equal to ASHI's current membership requirements.

These criteria include a Code of Ethics, Standards of Practice, experience, continuing education and demonstrated knowledge through testing. Legislative proposals which do not include these criteria are deemed inadequate for consumer protection and are opposed by ASHI.

When the need for regulation is realized, as outlined above, ASHI is dedicated to working with legislators, through its membership, to enact regulation that will clearly protect the consumer and interests of the qualified home inspector.

ASHI has successfully worked with state regulators to implement legislation which contains regulatory criteria equivalent to ASHI's membership requirements, and will continue to make its resources available to those states that desire meaningful regulation of this profession.

OCT 08 1999

**Subject:** HB207**Date:** Thu, 07 Oct 1999 21:35:12 -0800**From:** Larry Gibson <gibson5@gci.net>**To:** Representative\_Norman\_Rokeberg@legis.state.ak.us

I live in the Matanuska-Susitna Borough. I moved here in June of 1998. I tell you a dark hole exists out here. There are no building codes adopted by the borough. The builder "hires" a builder to inspect the house he/she is building. This seems more like an employer/employee relationship to me. What better example of a potential conflict of interest could possibly exist? If the inspector does not pass the house he/she is in jeopardy of not being used again. There aren't that many builders out here. I have found several things that were either missed or overlooked during my home inspection. There should be a sign when you enter the Valley that says, "buyer beware". Once you buy a house there isn't anyone who is willing to open up the bag of worms. You are on your own. Where is the consumer watch dog? Why should new home owners have doubts? I bought a new home because I thought I was buying the latest technology. I thought all the protective measures were in place. I thought I would not inherit the problems that others who have bought older houses have. New home, 5 star energy rated; terms that really have no meaning. Something needs to be done. The builders need to be kept honest. Thorough, unbiased inspections are a must.

I am all for HB207

Larry Gibson  
1830 E. Parks Hwy. #306  
Wasilla, Alaska 99654  
(907 357-1830

**Subject:** [Fwd: HB 207]  
**Date:** Thu, 30 Sep 1999 15:16:53 -0800  
**From:** Representative Norman Rokeberg <Representative\_Norman\_Rokeberg@legis.state.ak.u  
**Organization:** Alaska State Legislature  
**To:** Lorali Meier <Lorali\_Meier@legis.state.ak.us>

Original message to Rep. Rokeberg.

---

**Subject:** HB 207  
**Date:** Thu, 30 Sep 1999 11:41:24 -0700  
**From:** "Trudi A. Formica" <reliv@mtaonline.net>  
**To:** Representative\_Norman\_Rokeberg@legis.state.ak.us

Representative Rokeberg:

I understand that HB 207 is regarding the licensing of state inspectors.

If you will take the time and read the email that I sent this morning to John Bitney with Alaska Housing, I am certain that you will find it most alarming. Although the information has been compressed, and much information left out, it gives a general idea of our dilemma here at Westwood Subdivision in Wasilla.

Our homes are supposed to be built to MOA codes. They definitely are not. We have some serious issues with our homes that could have been avoided if the "inspectors" were doing their jobs.

I have many concerns, issues, and problems with my home.

I tried to pull up the information on the Bill, but couldn't.

Can anyone attend the meeting on October 21st? If so, how do I go about doing that?

I am a registered voter, and care very much about my community, state, and country.

We would like to be able to begin to enjoy our new home. We have only been living in it since April 3rd of this year.

I look forward to hearing from you.

Sincerely,

Trudi Formica  
357-8477

>Date: Thu, 30 Sep 1999 11:20:51 -0700  
>To: jbitney@ahfc.state.ak.us  
>From: "Trudi A. Formica" <reliv@mtaonline.net>  
>Subject: Lot 4 Block 2 Westwood Subdivision  
>Bcc: fformica@ideafamilies.org  
>  
>>Date: Thu, 30 Sep 1999 11:17:12 -0700  
>>To: jbitney@ahfc.st.ak.us  
>>From: "Trudi A. Formica" <reliv@mtaonline.net>

>>Subject: Lot 4 Block 2 Westwood Subdivision

>>Bcc: fformica@ideafamilies.org

>>

>>Dear Mr. Bitney:

>>

>>Larry Gibson just gave me your phone number and email address, along with some information on what he told you. If you don't mind, I would like to fill you in on our situation here also.

>>

>>My name is Trudi Formica. My husband's name is Frank. We have a daughter Sarah who is 12. We picked out this lot at Westwood back in October of 1998. Our original move in date was to be January 1999. That time came and went.....no home.

>>

>>Our original loan started with Consumer Mortgage. Sometime in March, our real estate agent insisted that we transfer our file to Pacific Alaska Mortgage. She told us that Consumer Mortgage was having major internal problems, and she was having 18 files transferred from Consumer to Pacific Alaska. She "insisted" that we do this. Although we felt extremely uneasy about doing this, we went ahead and transferred the file. We totally trusted our real estate agent, and "knew" that she would never do anything that was not for our best interest. Were we every "wrong"...

>>

>>I typed the transfer letter on March 24, 1999. I was about ready to mail it out when I received a phone call from my real estate agent, asking me to "back date" the letter to March 4th so that she wouldn't get into "trouble"...I was very uncomfortable with that, but did as she requested. She was having the file worked at both places at the time. (This was not known to us).

>>

>>Our original loan was to go FHA/First Time Home Buyer/Alaska Housing, etc. I can't remember all the slashes and what they stand for at this time. Unknown to us, when the file went to Pacific, our agent told them to go straight VA because it was "quicker"... We never received good faith papers from Pacific Alaska. We were never informed by them, or by our agent, that this change was made. We were still under the assumption that things were like they were originally going to be with Consumer. Although there is one exception, we agreed to try for the VA aspect of it, along with the First Time Home Buyer, etc. We were never told that our agent decided to go straight VA because it was quicker. Quicker, I don't think so. We closed on the home on June 29, 1999. Does that sound quick to you? We took early occupancy on April 3, 1999.

>>

>>It wasn't until we were ready to close that we found out that our loan was at possibly 7 1/2% or 8% interest rate. I asked why? I was told because that was the going rate. I explained that we were First Time Home Buyer, Alaska Housing, etc. Why was the interest rate so high. It should only be 4.25% or around there. THAT is when we were informed that our loan was a VA loan. We had a stoke.

>>

>>We are self employed. We moved here in August of 1998, and we hadn't filed our taxes yet. My husband works on 1099's. Not all of them were in. IF we had been informed by either our real estate agent, or Pacific Alaska, we could have had our CPA in Arizona make the necessary arrangements to do a filing with an amendment. At this late date and time, we didn't have time to do that.

>>

>>Once our file was transferred to Pacific Alaska, that's when our lives went down hill quickly. The unethical conduct, unprofessional conduct, and the misrepresentation that took place is just unbelievable. We are the ones paying the price. Every month.

>>

>>Our real estate agent did not represent us. She obviously represents the builder, Prestige Homes. Although on our Earnest Money Agreement papers she states that she is "Buyer Exclusive"... I didn't think that was legal either.

>>

>>We have paperwork that is fraudulently done. You may look at what ever I have, so that I can prove this to you.

>>

>>Our Builder's Specification Certificate states that our driveway will be asphalted. It is just dirt. This document also states that the builder built our home under MOA codes. It was not!! This same document states that we have a public sewage system. We have a septic tank. This document states that we have a public water system. It is a community well.

>>

>>Some of the signatures on paperwork, is NOT the builder's signature. Who ever signed these documents did not disclose that they were signing for him, etc.

>>

>>I am a legal secretary (housewife now), and I am quick to notice things that are not ethical.

>>

>>Several homeowners here in Westwood have similar documents.

>>

>>We all have warranty issues that are NOT being addressed. We ALL have sinkholes. Our garage floor is cracking, sinking, and when it rains, we water comes in both doors and stops in the middle of the floor in a pool. The cement slab is tearing away from the foundation walls. The builder has refused to fix this. Our sinkhole is right outside our front door. You could probably park 10 to 12 cars in this sinkhole with room to spare. The excavation company says that he isn't responsible, that the builder is. The builder says that he isn't responsible, the excavator is.

>>

>>Our problems are not just warrant issues that haven't been remedied. Fraudulent paperwork is being pushed through the system. Loans are being moved to specific lenders for favors, etc. The homeowners are the ones suffering here, while the real estate agents and the loan companies involved are getting richer.

>>

>>Can you help us? If not, who can? What do you suggest we do next?

>>

>>We have a beautiful home here. My husband is a tile contractor and installed all the tile and hardwood floors in our home. He does beautiful work. We worked hard for this house. The only thing that we want is our homes fixed, our wrongs made right.

>>

>>Any light that you may shed on our problems would be greatly appreciated.

>>

>>Sincerely,

>>

>>Frank & Trudi Formica

>>P.O. Box 871463

>>Wasilla, AK 99687

>>357-8477

>>

>>(421 West Dover Circle)

>>

>>

>>

>>

>>

>>

Michael A. Hendrickson  
Quality Master Home Inspection  
P.O. Box 877301  
Wasilla, Alaska 99687

26 July 1999

I've recently started a home inspection business and am very excited about helping people secure their investment when purchasing their home. I recently came across HB 207 you are sponsoring and became very concerned as to how this will affect home inspectors who are currently operating.

My question to you is, will there be some type of "grandfather clause" for those of us already operating a home inspection business? From what I can see from the HB 207 a person has to have two years under a state certified home inspector to operate as an independent. I just recently started this business back in Jun 99, and if passed next year I will have to lock my doors because of the time requirement you have mandated under this bill.

I've spent a lot of time, money, and resources trying to get this business off the ground, only to have my hopes dashed because of state government. I've just received my Registered Home Inspector status and have become a member of various third-party home inspection organizations to further my knowledge in this field. I have a total of ten years experience in environmental, safety and health with the last five years in facility inspection. I've dreamed a lot of dreams of owning my own business where my knowledge would be a definite asset. But as stated above, my dream has now become a fear. A fear of losing the one thing most people dream of, owning their own business.

If this bill becomes reality another question I have is about continuing education requirements. What are they going to be? Later this year I'll be attending a three-day conference on home inspection. Will these 24 hours constitute fulfilling the continuing education requirement? This should be spelled out in the legislation so everyone affected will know what will be required of them.

Has there been any thought in having third-party organizations certify home inspectors? Maybe the State should look at these third-party organizations and come up with several for home inspectors to choose from to provide the certification.

I don't know who came to you and broached the subject of certifying home inspectors. I just wish those concerned involved like businesses in the process from beginning to end, instead of finding out about crushing news like HB 207 from the clerk at the grocery store.

I would appreciate your response to either confirm or deny my fears that state government will dash yet another dream of a citizen.

Sincerely,

MICHAEL A. HENDRICKSON  
Owner, Quality Master Home Inspection

*Yard 7/26/99*

BUILDING ANALYSIS, INC.  
118 E. INTERNATIONAL AIRPORT ROAD  
ANCHORAGE, ALASKA 99518  
(907) 561-1039 OFFICE . (907) 563-8366 FAX

October 4, 1999

Rep. Norman Rokeberg  
Alaska State Capitol  
Juneau, AK 99801-1162

OCT 04 1999

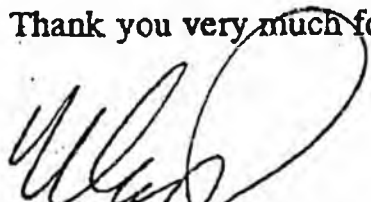
Re: Home Inspection Legislation

Dear Rep. Rokeberg,

I will be unable to attend the meeting on October the seventh, as I have a previous commitment to be in Fairbanks for the Alaska State Home Builders Board of Directors meeting.

A copy of proposed legislature has been given to me by Steve McKean and Mark Lewis. I wish to lend my support to this document.

Thank you very much for your consideration.



N. Claiborne Porter, Jr.  
President

To: representative\_rokeberg@legis.state.ak.us  
From: John Keys <jkeys@ptialaska.net>  
Subject: Inspection Legislation  
Cc: hq@ashi.com  
Bcc: jkeys@ptialaska.net  
Attached:

OCT 05 1999

Representative Rokeberg,

Thank you for the information regarding the work session for HB207 on October 7th. Unfortunately I'll be leaving the state on a family vacation on the 6th and could not change my plans. Otherwise I would've been eager to participate.

I fully approve of regulating the Home Inspection industry in the State of Alaska. I would encourage you to model or adopt the American Society of Home Inspectors (ASHI) standards which are considered to the highest in the nation. The main issue I would like to address is those with PE (professional engineer) designations should not be automatically approved. There are many different disciplines in the engineering field which doesn't necessarily give a person the knowledge and experience necessary to inspect a residential structure. Additionally, the worst inspections in the Fairbanks area are performed by a PE. So giving carte blanche approval to a PE will not produce the standards, ethics, and and/or methods of practice that this legislation should provide. I believe one of the best requirements to conduct HI's is to be a certified by ICBO as a Combination Dwelling Inspector (currently required by AHFC to inspect new residential construction. Current practicing inspectors should be grandfathered, but should given and expected to follow the required standards. I would also encourage that all inspectors engaged in performing home inspections are required to have a minimum of \$300-\$500k in Professional liability insurance (errors and omissions). We should also be required to complete at least 8 hours of continuing education per year by an approved agency (ASHI, Alaska Craftsman Home Program, Alaska Building Science Network, International Conference of Building Officials, AHFC, etc).

March 3, 1999

The Honorable Norman Rokeberg  
Alaska House of Representatives  
State Capitol Building  
Juneau, Alaska

MAR 08 1999

Dear Representative Rokeberg:

This letter is to provide a written review of draft legislation requiring registration of persons who perform home inspections. First, please allow me to express my sincere appreciation for the opportunity to review the draft bill and provide comments.

Current construction inspection requirements in state law are limited to only those homes financed by a state agency. Some municipalities have local inspection requirements, but the only state requirement is for homes financed by AHFC. Other secondary mortgage entities are not bound by state law and do not require the same level of inspections imposed for AHFC.

AHFC supports licensing of home inspectors and is strongly in favor of insuring that any new construction meet minimum building standards. Properties located in areas without local government oversight should be subject to construction inspections at various intervals throughout the construction project.

AHFC's preference would be that all of AS 18.56.300 be moved to Department of Labor and/or Public Safety (or other appropriate licensing and code compliance agency) where statutes would be written to require that all residential construction be inspected by municipal inspectors, licensed inspectors, or architects or engineers in certain rural areas of the state. With little modification, the language in AS 18.56.300 could be used to detail the required inspections. Any reference to ICBO inspectors should be changed to reflect: ICBO inspectors for inspections through June 30 2000 and State Licensed Inspectors for inspections on or after July 1, 2000 (the effective date of the legislation). (A proposed amendment to the draft legislation is enclosed.)

The current inspection requirements are limited to properties financed by AHFC and, therefore, create two classes of properties; those that have undergone independent inspections for compliance with the municipal or state building code and those that have not. Quality of construction and protection to the homebuyer should not be limited to only those homes financed by AHFC. Resale of a home can be adversely impacted if a home was not previously inspected.

AS 18.56.300 is currently written to require inspections on all AHFC financed residential properties built after July 1, 1992. Therefore, compliance with the statute applies to existing units as well as recently constructed units. This places a burden on sellers, buyers, lenders and AHFC to verify that authorized persons inspected the property at the time of construction. If a seller elected not to have



Representative Norman Rokeberg  
March 3, 1999  
Page 2

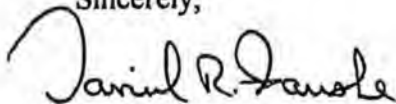
the property inspected because AHFC financing was not sought, the resale of the home is limited to markets other than AHFC. This limits the buyer's financing alternatives and may very well prohibit a low-income borrower from reaching the goal of home ownership because other secondary investor market rates are unaffordable. For any older home built on or after July 1, 1992 in which at least five years have elapsed since the date construction was completed, the original construction inspections should be disregarded and a property inspection be obtained to verify that the property is structurally sound, in compliance with codes in effect at the time of construction, and provides a safe habitat for the residents.

In addition to the licensing of home inspectors, we would like to suggest that there be consideration given to the licensing of home energy raters since these inspectors are, like home inspectors, reporting on the adequacy of the construction to meet certain building standards.

For homes constructed on or after January 1, 1992, any home financed by AHFC must meet minimum Building & Energy Efficiency Standards (BEES). Home energy ratings are one way of verifying compliance with *some* of the BEES. However, an energy rating does not verify compliance with ventilation and air tightness standards established in BEES. A two-tiered home inspector license (one for structural inspection, safety and code compliance and one for energy efficiency) could be written into the law. Similar to Contractors Licensing, an endorsement could be applied to a Home Inspectors License that allowed the inspector also to inspect/rate homes for energy efficiency. Experience, education and accountability are equally as critical to home energy rating/inspections as they are to home inspections.

AHFC supports the direction where we believe this draft legislation is going. Not only is this an issue of fairness in the industry, but also for consumer protection both now and in the future. If your office needs any further information or assistance on this matter, please do not hesitate to get in touch.

Sincerely,



Daniel R. Fauske, CEO/Executive Director  
Alaska Housing Finance Corporation

Enclosure: draft amendment

**CHANGES REQUIRED TO DRAFT LEGISLATION**  
**INCORPORATING AHFC REQUIRED ICBO INSPECTIONS**

\*Sec. 4. AS 18.56.300 (b) is amended to read:

As a condition of a commitment to purchase or approve a loan under this section for residential housing the construction of which begins after June 30, 1992, the corporation shall require inspection of the unit of residential housing that is the subject of the loan. The inspection must be performed by a municipal building inspector, by a person who is prior to July 1, 2000 approved or certified to perform residential inspections by the International Conference of Building Officials or the International Association of Electrical Inspectors, or on or after July 1, 2000, a person who is licensed under AS 08.57, or, when the unit of residential housing is located in a rural area, by an architect licensed under AS 08.48, by an engineer licensed under AS 08.48, or by another person approved by the corporation. When the unit of residential housing is located in a rural area, the person who makes the inspection may use methods other than a personal physical inspection to make the inspection if the method is approved by the corporation, and variations from the applicable code may be accepted at the corporation's discretion, if the person authorized to inspect the unit under this subsection satisfies the corporation that the variation does not adversely affect the structural integrity of the unit or the health and safety of the residents. The person who makes the inspection shall determine whether the construction conforms to relevant provisions of the construction codes of the municipality or of the state building code, as applicable, at each of the following stages of construction:

- (1) plan approval;
- (2) completion of footings and foundations;
- (3) completion of electrical installation, plumbing, and framing;
- (4) completion of installation of insulation;
- (5) final approval.

Sec. 4 to be renumbered Sec. 5

**Subject: Home Inspectors**

**Date: Sat, 06 Mar 1999 11:43:01 -0900**

**From: PEGGY KELLY <pckelly@alaska.net>**

**Organization: DYNAMIC PROPERTIES**

**To: Norm Rokeberg <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Just read an article by John Blaine in the Realtor News about legislation you are preparing to license Home Inspectors. Just a few thoughts.

I agree that all should pass the ASHI test and be educated in the area. I feel experience in the construction field is good, but I also believe that experience in a job that requires a high degree of ethics and equal life threatening responsibility should also be taken into consideration even if it is not building related. I have encountered inspectors who had been in the construction industry and thought they could be home inspectors and I didn't feel comfortable with their competence.

Insurance is an issue that I don't quite know what to do with. As long as inspectors minimize their liability to the cost of the home inspection (which most do), it prompts the buyers to request, or have performed themselves, further inspections on items that the inspectors are not experts in (roofs, structure, electrical). A good home inspector to me would raise the question and suggest that an expert be brought in. I like it that way because the buyer makes the decision to move forward, request the seller hire an expert, or hire one themselves.

I know you have worked a lot with us in the last few years and hope you feel our input is important on this issue.

Thanks

Peggy Kelly, CRS  
Dynamic Properties

**Subject: FHA Defers Burdensome Appraiser Rules at Sen. Stevens' Behest**

**Date: Thu, 7 Oct 1999 07:56:50 -0800**

**From: "Niel Thomas" <realtor@nielt.com>**

**To: <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

A N C H O R A G E   R E A L   E S T A T E   M A R K E T   N E W S

Niel Thomas, CCIM, CRS, <http://www.nielt.com>

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Hello again, Rep. Norman Rokeberg

==

IN THIS ISSUE: Sen. Stevens Secures Moratorium on Burdensome FHA Rules

==

My last posting to you described new FHA rules for appraisers that has been dampening housing opportunities for entry-level buyers all over the country. Appraisers complained that the rules made them liable for things beyond their professional competence, such as roof condition and the accuracy of surveys. Locally, most appraisers refused to take FHA orders from lenders, and the few remaining ones raised the fees from about \$500 to over \$900.

Sometimes turning HUD around is like redirecting an oil tanker. My post to you drew me into a concerted effort of local Realtor and mortgage lender groups and the Alaska Congressional delegation. None of us can claim individual credit, but having Senator's Stevens' ear was critical. HUD's decision to postpone implementation of the rules for six months went to the Senator. The text of the letter follows:

Dear Senator Stevens:

Thank you for providing my staff with an opportunity to brief your staff on the status of the FHA's Homebuyer protection Plan relating to appraisal reform issues and for your leadership on this issue, in general. As a result of your concerns and our staff's discussions, I am writing to clarify certain aspects of the appraisal reform implementation.

1. FHA will not, for a period of six months, place into effect regulatory changes which will impact the manner in which the Department currently takes enforcement actions against appraisers who perform appraisals that are not in compliance with FHA requirements. The current process will remain in effect until the industry has had a greater opportunity to become familiar with the revised Handbook.

2. There are three specific points that I would like to clarify for you here:

> *The role of the appraiser is to determine the market value of the property and not to be a home inspector. FHA explicitly requires disclosure of his to any person to any person that may obtain an FHA insured mortgage. Further, appraisers do not guarantee the condition of the house, it's equipment or appliances or that the property is free from defects. Rather, they are simply asked to make reasonable observations about the property and site and provide that information to the lender. The lender is responsible for ensuring that FHA insurance is not used on a property that is not in compliance with FHA's minimum property standards.*

> *With regard to homes with snow on their roofs. If it is unreasonable to expect that the snow will clear within a reasonable time to allow for a visual observation by an appraiser, the appraiser may assess the condition of the roof by observing the roof from the interior of the house. There is no requirement that the roof be shoveled to be free of snow.*

> *The applicability of the Federal False Claims Act to Appraisers as I understand it, is limited to a "Knowing" submission of false information.*

This action may be brought by Government or by an aggrieved citizen with the explicit approval of the Department of Justice. There is no independent right of a consumer to bring an action under this law."

The above was signed by William C. Apgar, Assistant Secretary for Housing-Federal Housing Commissioner.

=====  
Niel Thomas, CCIM, CRS  
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=====

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# Home Inspector Licensing Ready or Not

by Tony Brueneman

It's often said that the only sure things in life are death and taxes. You can add licensing to that list. Many of you will recall that state licensing of real estate appraisers came about as a result of the FIRREA legislation enacted in the late eighties. The same process is emerging for home inspectors, though at a slower, non-federally-mandated pace. Regardless of how you feel about licensing, the game's afoot. The handwriting on the wall says that eventually most home inspectors will be, in some way or another, state licensed or regulated. Here's what you need to know.

In the late eighties, in the role of association executive, I attended five or six meetings of the Appraisal Qualifications Board in Washington, D.C. I had the privilege to observe the embryonic process that eventually became the basis for appraisal licensing guidelines. In the development of home inspection licensing, however, there are no federal guidelines to aid state regulators. The states that currently regulate home inspectors or their work are Alabama, Arkansas, California, Georgia, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas and Wisconsin. There is also a licensing process underway in New Jersey. In addition, some cities like Evansville, Indiana have their own regulations. While most states considering legislative action in the area of home inspection have sought out what others have done, most regulatory provisions have developed naturally within the local political climate.

As an aid to practicing home inspectors who want to participate in this coming process I would like to explore some of the issues to be considered in a state's efforts to develop inspection regulations or licensing.

## Qualifications

This is the area of most concern to professionals in the field. The following four considerations are among those most commonly involved: education, experience, testing and provisions for grandfathering.

Education is the basis of every profession, yet there is truth in the dictum "experience is the best teacher." Should all candidates for initial licensing be required to attend classes? I recall having an appraiser with seven years' experience sitting in an entry-level appraisal class. I was teaching things that this poor individual had learned years before in the field. Should those with provable experience at a predetermined level be allowed to proceed directly to testing or licensure? How many classroom hours are enough and should the state develop a standard curriculum?

Experience: the main questions here are ones of access to the field and the right to work. A state regulator once asked if a pharmacist should be allowed to become a home inspector on the basis of education alone. The answer was, of

course, that it all depends on the quality of the education and the individual in question. How complete was the education? What life experience, other than pharmacy, does the applicant bring to the table, if any? Prior experience in the construction trades, engineering or home building has its obvious advantages, yet do not always guarantee success. There are those who believe that education alone is not enough. Proponents of this thought process want new inspectors to work, for a period of time, under the guidance of an experienced, practicing inspector.

Texas formalized a three-tier system in September 1991 calling for new entrants to the field to practice as apprentice inspectors and inspectors-in-training before gaining the status of state licensed inspectors. These experience requirements are similar to the two thousand hours of supervised work required of appraisers. These requirements are often supported by practicing inspectors who would like to limit access to the field. Will licensed inspectors be willing to train someone

who will, in time, move a half-mile down the road and become their competition? On the other hand, maintaining an adequate number of inspectors and the potential for dramatic increases in the cost of inspections are also important considerations. Will experience provisions allow the growth that will be demanded as we move toward lender-mandated home inspections? These are all valid considerations.

Testing: many older appraisers left the field rather than face their "fear of the test." Testing should not be an obstacle to those with adequate training and/or experience. In my opinion, good testing programs reflect a state's desire to be inclusive rather than exclusive. Testing should not be designed to rank inspectors by knowledge but should fairly represent the minimum competency required of a home inspector. Many solid inspection curriculums can be found in the various home inspection associations and schools, which if understood, should insure a passing grade.

Grandfathering: How a state handles experienced practitioners probably doesn't make that much difference as long as strict enforcement accompanies the legislation. Texas grandfathered those with a minimum of 250 inspections. New Jersey's provisions grandfather any home inspector who has passed a test, is of good moral character, has successfully completed high school or its equivalent, has completed at least 300 inspections for compensation, and has been in the practice of home inspection for not less than three years prior to a specific date. Some states, on the other hand, have made no provisions for grandfathering current practitioners.

#### **Standards of Practice/ Codes of Ethics**

The associations are owed a debt of gratitude for having developed, over the years, codes of ethics which have become generally accepted in the field. Quality inspectors already incorporate

these recommended behaviors into their daily practice. Some states have decided to establish uniform codes of ethics and standards of practice as part of their legislation. Texas has one of the most comprehensive set of standards, as does North Carolina. As a contrast Nevada has adopted a more generalized set of standards. Standards are generally a good thing, in that they establish a statewide uniform set of expectations as to what inspectors will and will not do.

#### **Enforcement**

Enforcement is a key element. Licensing or regulation without enforcement is difficult to justify. The generally accepted reason for a state to become involved in regulating any business activity is to protect the average citizen from fraudulent or inept practices. No association or group can police the profession as effectively as a governmental entity. I would hope every

*continued on page 24*

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**APPRAISERS**

continued from page 23

inspector would support strong enforcement provisions when licensing or regulation comes their way.

### Reciprocity

Few states have addressed the issue of reciprocity. North Carolina's legislation, however, provides for reciprocity with any state that has, "laws and rules that are similar..." Reciprocity provisions are desirable in an increasingly mobile society.

### Insurance

Alabama, North Carolina and other states seek a surety bond or proof of a mandated net worth plus insurance under their current legislative acts. New Jersey presently proposes a minimum of \$500,000 of errors and omissions insurance. These requirements are assurances of at least minimal protection for the recipients of our services.

### Continuing Education

All true professions require continuing education. Lawyers, appraisers, CPAs

and most real estate professionals, among others, are required to periodically complete a minimum number of continuing education credits. I'm sure we have all heard stories about how bad some CE offerings are. It's up to the associations and those of us who teach to develop high quality continuing education for home inspectors. At the Home Inspection Institute we have been developing CE modules for home inspectors in the range of three to 16 contact hours.

### Affordability

Affordability is an issue for both the individual inspector as well as the regulator, especially in the more sparsely populated states. It's simply a matter of numbers. In my home state of Ohio, for instance, we have over 40,000 licensed real estate sales professionals (brokers and sales agents). Ohio also has over 2,500 licensed real estate appraisers. Yet I estimate the number of practicing home inspectors to be less than 600. Comparatively, how many home inspectors

can there be in states like North Dakota, Wyoming or Vermont? Can your state afford to dip into the general fund to pay for the licensing and regulation of home inspectors? Few states are so far in the black that they will be willing to license new areas without collecting fees to cover the costs. For the individual inspector the question is: How much can I or should I pay in annual fees?

Licensing is coming just as surely as the cold days of winter are followed by the warmth of spring. Each individual inspector, in states where licensing or regulations have yet to be enacted, should begin to mull over the relative merits of each of the preceding items. When the legislative cauldron begins to heat up, the more cooks in the kitchen the better. ▲

*Tony Bruceman is the president of the Home Inspection Institute, operating out of Cincinnati, Ohio. The institute offers entry-level, state exam prep and continuing education classes for home inspectors across the nation. For more information: (800) 783-0092.*

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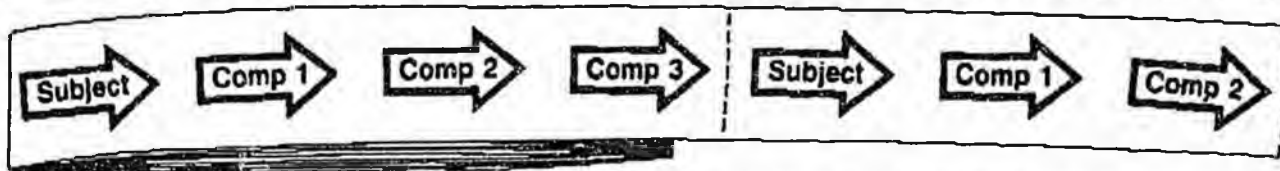
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# Expert home inspections useful for buyer and seller



**CLAIR  
RAMSEY**

Previously I discussed licensing of home inspectors (June 27, Page C-1). This time, let's focus on the actual home inspection. After a buyer and seller sign a purchase agreement on a home defining price and terms, the home inspection occurs. By the time the inspection report and buyer's request for repairs is delivered to the seller, the home typically has been off the market for two weeks.

In many cases the results of the inspection report reopen negotiations between buyer and seller. Negotiating on repairs can delay closing, and it rarely is resolved to the seller's liking. The lender and or appraiser also may require repairs of major items noted in the inspection before financing the home.

The home inspection report typically groups items between minor ongoing

maintenance and major repairs. Major repairs are of most concern to buyers and sellers alike. Major problem areas frequently include the roof, groundwater, furnaces and decks.

Let's start with the roof. What is the age and condition of the roof? Is the roof ventilated or non ventilated? Does the roof have an ice shield? If the roof is 2 to 3 years old, there should not be a problem. If the roof is 20 years old, per-

haps there are reasons for concern. Non ventilated roofs are subject to condensation problems not always visible on the home's interior. Ice shields help prevent infiltration of water when ice dams form in the winter months. Replacing or repairing a roof can be expensive.

Groundwater problems are a second

Please See Page C-5, RAMSEY

ADN 23 July 1999 p C-1

## RAMSEY: Inspections focus on repairs.

Continued from Page C-1

area of concern. Is there evidence of water in the crawl space? How is water removed from the crawl space? Does your home have a sump pump? Does it pump into the city sewer — which is illegal — or to an outside drain? Does the ground outside slope away from the home, or toward it? Ground that slopes toward the house may send water into the crawl space or basement. The crawl space is an area where homeowners rarely look, unless a problem arises. Groundwater problems can also be expensive to repair.

The third problem area is the furnace. What is the condition of the furnace or forced-air heating systems? Does the furnace have a cracked heat exchanger? If it is 10 to 15 years old, it may have. This may necessitate a new furnace if the heat exchanger cannot be economically replaced.

As Anchorage ages, it becomes evident that many homes built in the late '70s and early '80s are not withstanding the test of time gracefully. Decks and bathrooms are typical areas of concern in older homes. Most decks were built with fir, and homeowners did not fully understand the upkeep required. Many of these decks are now rotting and require renovation or even complete replacement.

Bathrooms in older homes may also need

attention. Walls around tubs and showers may be showing evidence of deterioration as water penetrates through the grout between the tile to the sheet rock behind. Removing and replacing select tiles can be difficult, particularly when trying to match older ceramic tile. However, repairing either of these areas prior to putting your home on the market helps demonstrate that your property has been adequately maintained.

Before you sell your home, find out if you have a major problem. Don't worry about small items like ground-fault circuit interrupter outlets (GFCIs), seismic straps or hot water tanks. Focus on the bigger-cost items. If you have any concerns about these types of problems, address them before going on the market. Have your real estate agent recommend an inspector to check specific areas of concern. If you wait, it will be harder to get the buyers to adjust the sales price or participate in repairs after they make an offer. Completing repairs first may allow you to recover some of the expense with an increase in the sales price.

Clair Ramsey, CRS, is a local associate broker specializing in residential real estate. His opinion column appears every fourth Sunday. His e-mail address is ramsey@alaska.net.

## Home-inspection bill would help buyers



**CLAIR  
RAMSEY**

Home inspections have become an intricate part of the home-buying process. As the importance of home inspection has increased, so have concerns of regulating this relatively new profession in Alaska. Legislation sponsored by state Rep. Norm Rokeberg, R-Anchorage, has taken on the job.

Rokeberg's proposal — HB207 — calls for state oversight of home inspectors similar to that applied to real estate agents, with licensing, bonding and educational requirements.

With input of local inspectors and the rest of the real estate industry, I hope that this proposal will be the guideline to ensure professional inspections provide adequate consumer protection with a minimal amount of government regulation.

Home inspections have also become a focal point for changes to the Federal Housing Authority's appraisal process. Andrew Cuomo, federal secretary of Housing

Please see Page C-2, RAMSEY

ADN  
27 June 1999 C-1

## RAMSEY: Bill would help buyers

Continued from Page C-1

and Urban Development, recently announced an initiative to provide extra protection to the more than 1 million families that obtain FHA-insured loans each year. FHA-insured loans allow buyers who may not qualify under other financing programs to purchase a house using a minimal amount of money up front (a little more than 3 percent of the purchase price).

Key aspects of the Homebuyer Protection Initiative include: 1) Educating consumers about appraisals and inspections; 2) mandatory testing of appraisers to ensure quality appraisals; and 3) uncovering significant hidden defects in houses before purchase by providing a more comprehensive appraisal.

The reason for the change in focus is in response to major defects in houses being sold that are not detected before the sale. A new home buyer who barely qualifies for a loan typically lacks cash to make major repairs. As a result, some buyers defaulted on their mortgages, filed for bankruptcy or both.

The FHA's Homebuyer Protection Initiative encourages buyers to obtain a home inspection and not rely solely on the appraisal. The agency believes the home inspection is so important it even allows the

the mortgage amount.  
1998 188,919,987 \$130,593,667 \$59.3  
1995 218,001,719 \$170,029,398 \$90.3  
1994 181,218,649 \$174,547,820 \$93.5  
1993 218,071,180 \$145,328,506 \$77.5

### *The Homebuyer Protection Initiative encourages buyers to obtain a home inspection.*

areas for deficiencies normally covered under a home inspection. Such areas include health and safety issues; electrical, heating and plumbing systems; the structural condition of the walls, ceilings and foundations, as well as other items.

To eliminate the liability inherent with working outside their area of expertise, one solution may be for appraisers to receive a copy of the home inspection before completing their appraisal. Because the inspection typically occurs before the appraisal, this is easy to do. If for any reason the appraisal is ordered first, the appraisers can complete the investigative work but hold back the appraisal until they can review the inspection report.

In an era of specialization, every aspect of buying a house needs to be dealt with by the proper professional. The lender provides the best financing to fit your needs, the appraiser determines value and the home inspector examines the property for soundness and safety. Doubling up on services is like asking the surgeon or anesthesiologist to do the other person's job. Not  
1998 was an economic disaster for Bristol Bay fishermen, the second time in a row.  
But it wasn't enough. Not nearly. In fact, salmon catch.

# Special Report:

## Homeowners beware

*Lack of regulation  
can make home repairs  
a risky prospect*

With spring on the way, are you thinking of building a new home? Or perhaps you would like to have some repairs made to the house you already own, such as fixing the roof?

If so, proceed with caution. Lax laws and regulations governing home repairs can expose property owners to shoddy workmanship, even blatant rip-offs. According to the state Division of Occupational Licensing, there is no Uniform Building Code in the state of Alaska and nothing to prevent any Tom, Dick or Harry — or Jane — from getting a license and declaring himself or herself a bona fide builder/roofer/paving or construction expert.

In Alaska, all it takes to get a contractor's license is a \$10,000 bond and an insurance policy. Furthermore, once the license has been granted, neither the bond nor the insurance needs to be kept up. The licensing department will not know if either or both policies have been canceled, for whatever reason, because it receives no reports of cancellations.

In addition, a person wishing to obtain a handyman's license to do things like roof repairs or build a deck does not even need a license, as long as the project is less than \$10,000.

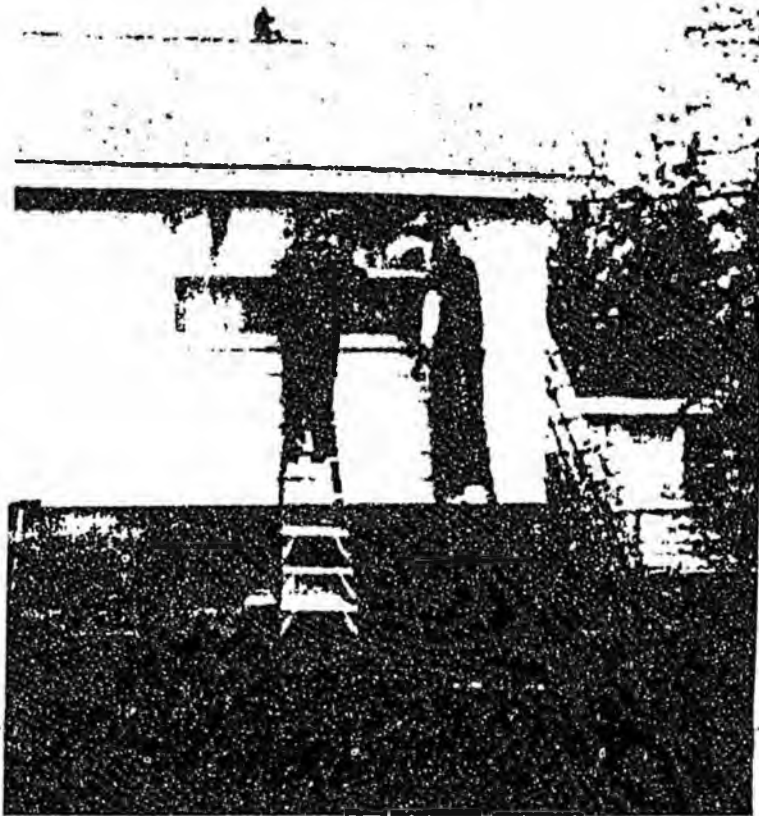
To top it all off: there are no penalties if a contractor or handyman does a shoddy job. Aside from taking them to court, the homeowner has no recourse. Plus, even if the homeowners get a judgment in their favor, there is nothing to prevent the contractor from changing the company's name and getting another license to do the same thing over again, even if they have gone through bankruptcy. There are no criminal penalties.

Homeowners who have been defrauded do not dare speak out before they get a court judgment because they could be sued for libel.

So what's a homeowner to do?

### Check them out

John Clark, investigator with the State Division of Occupational Licensing, said a person considering hiring a contractor for any kind of building job should find out first if the contrac-



**While almost every other professional occupation in the state — medical, legal, educational, even real estate sales — require successful completion of educational requirements and competitive tests before a license is issued, there are no such requirements for contractors.**

tor is licensed. You can do that by calling the Division of Occupational Licensing in Juneau. The telephone number is 907-465-3035.

At the same time, get the names of the individual's bonding and insurance companies. Not only will the Division give you the names, it also will give you the telephone numbers and addresses. Contact these companies to make sure both the policies are still in force.

Also, contact the State Workers Compensation office to make sure the contractor has a worker's comp policy with them. If there is no such policy in force, you as the property owner could be held liable for any injuries sustained by any of the workers on your property.

"Get as much as possible in writing—what the contractor is going to do for X amount of dollars before signing anything," Clark said.

"Beyond that and checking him out as thoroughly as possible, there is no protection for the homeowner. Anyone can walk in here and get a license. We can require a bond but only for \$10,000 — that's not going to go very far if a person has a \$200,000 job."

Clark said there are no other licensing requirements. While almost every other professional occupation in the state—medical, legal, educational, even real estate sales require successful completion of educational requirements and competitive tests before a license is issued, there are no such requirements for contractors.

Vicki Portwood, head of project management for the Anchorage Home Builders' Association (AHBA), said she has heard "many horror stories" from homeowners. If a contractor is a member of the AHBA and a homeowner files

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Stories by  
Beryl Anderson

# Special Report: Homeowners beware

## Few rules for home repair contractors . . .

*continued from page 17*

a complaint, it goes through a "dispute resolution system." If this fails to resolve the problem, it goes to arbitration, with both parties sharing the costs.

Only one case has gone to arbitration in the last three years, Portwood said, primarily because when a member gets a letter about a complaint, he or she takes steps to take care of it right away.

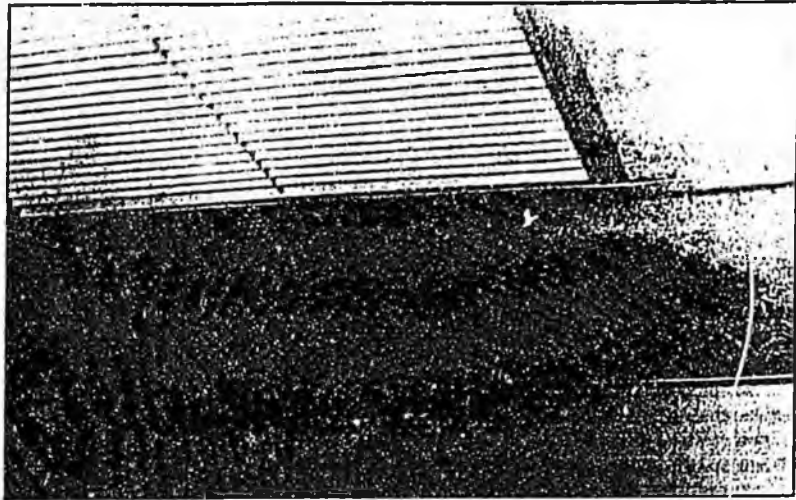
"Often the builder is not aware that there is a problem because the home owner has never contacted him" Portwood said. "It's important for people to let the builder know if they're unhappy with something."

Don't just tell the builder verbally. Put it in writing and keep copies of all correspondence, Portwood said.

Also contact the AHBA to see if the builder is a member before you sign anything. The number in Anchorage is 907-522-3607.

Henry Springer, executive director of the Associated General Contractors (AGC), said all of the AGC members are commercial builders. Not only is each one's prior building record checked out before being allowed to join but also each must be bonded for the full amount of every building project undertaken.

"If a job is bid at one million dollars, the bond must be for one million," he said. "Believe me, a bonding company is going to look closely at



Damage from water seeping through leaky roofs is not uncommon in Alaska during spring breakup.

a company before it issues a bond that high." But a reputable contractor has no trouble getting a bond.

So how do you protect people against contractors who are not reputable?

"I don't know," Springer said. "Home builders are different. Perhaps the state could require larger bonds, or put a bill together to require a qualification process. We need better control, especially over those who come in from out-of-state. But many people are against more regulations."

Royce Rock, business agent for the Carpen-

ters Union and Jim Conaster, business agent for the Roofers and Waterproofers Union, both said their unions check out contractors before their members go to work for them. They agreed, however, that many legitimate builders who don't go union do good work. Both agreed there is a need for tighter controls, particularly on those builders who come in during the summer and leave at the first hint of winter.

### Insist on building permits

The Municipality of Anchorage does have a  
*next page please*

## Owner learns home repair pitfalls the hard way

In November 1994, Regina Levy contracted with Thomas Johnson and J and S Roofing to put a new roof on her 30-year-old home. The estimated cost for a new shingle roof to replace the existing metal one was \$11,570 which, she said, included a 10 percent senior discount. Levy is 70.

Levy said Johnson had her pick out the color shingles she wanted but a few days later, he told her the insurance company insisted that "what came off the roof had to go back on." He said another metal roof to replace the existing one would cost her \$5,000 more than what the insurance would pay. This later proved to be a fabrication. Levy said she was told by the insurance company's adjuster that the shingles would have been acceptable. "I would have saved \$5,000," she said.

Because the roof had been leaking for some time, there was extensive damage to the interior of her home. Levy signed three more contracts, totaling \$18,500 with Johnson to do interior repairs, believing the bulk of it would be paid by the insurance company. It wasn't.

Levy paid Johnson \$11,000 at the beginning of the job but, she said, by April enough things had gone wrong, she began to suspect she had been ripped off. Inspections by a licensed engineer and several state agencies confirmed her suspicions. She hired an attorney and went to

**'I'm not after money. I just want to let the public know what these people are capable of so they can protect themselves and not get scammed the way I was.'**

**Regina Levy**

court.

Levy won a settlement for \$34,000 plus interest and more than \$26,000 for attorneys' fees. To this date, however, she has not been able to collect one dime.

### Bankruptcy

In early October 1997, Johnson filed for bankruptcy under Chapter 13, listing 93 creditors and liabilities of nearly \$551,000. He listed assets of \$62,000. In addition to the original list of creditors, Johnson listed another 19 lawsuits that had been filed against him during the year just prior to his bankruptcy filing.

Creditors requested the court convert Johnson's Chapter 13 to a Chapter 7 which would allow them to attach any of his equipment that had not already been repossessed.

Johnson then withdrew his bankruptcy petition, which is permitted under the U. S. bankruptcy code.

Included among the creditors are the Municipality of Anchorage for nearly \$26,000, Wilder Construction Co., seeking more than \$32,000 and Spenard Builders Supply, seeking nearly \$29,000. Regina Levy also obtained a judgment which now totals nearly \$78,000.

Levy, who is a retired nurse, had to go back to work after exhausting her savings to pay costs of the lawsuit. She has spent the last four years on a one-woman campaign, speaking out at public hearings about her experience and keeping close tabs on Johnson and the lawsuits that are still being filed against building companies she says he has a stake in.

"I'm not after money," Levy said. "I just want to let the public know what these people are capable of so they can protect themselves and not get scammed the way I was."

Efforts by the Senior Voice to reach Tom Johnson at his business were unsuccessful.

Al Tobin, president of the Anchorage Better Business Bureau (BBB) said that JBS Inc has been a member for more than a year. The bureau has received no complaints about the corporation, he said. He also said that some friends of his has hired Thomas Johnson to do some repairs on their property, and the were "very happy with the work."

*next page please*

# Homeowner beware

## Lax regulations . . .

*continued from page 18*

building code that adheres to the Uniform Building Code in force throughout the rest of the U. S. but here it extends only to the Anchorage Borough. Michael Woods, code enforcement and abatement officer for the borough, said building permits are required for most projects priced at more than \$10,000. There is no price limit on electrical, plumbing or mechanical work—all require permits so the department can inspect them during construction. Re-roofing or waterproofing and some remodeling projects or additions such as decks do not need permits, he said.

However, the best thing to do to protect yourself from paying for work that does not meet code requirements is to call the Anchorage building department at 907-343-8328 and find out if a permit is required. If it is, the permit should be posted on the outside of the structure.

Other boroughs throughout the state may require building permits. The best thing to do if you are unsure is to call your borough office.

A building permit is for the homeowner's protection. In the case of a new home, it means the plans have been reviewed by city engineers and others to make sure they meet with construction requirements and any zoning ordinances in effect in the area in which you are building. Also, each phase of construction must pass inspection before the next phase can begin. A certificate of occupancy will not be issued and you cannot move in until all of the building code requirements have been satisfied.

Woods said if inspectors find that a contractor has not obtained a building permit, a "stop work" order is issued. However, if the contractor does not get a permit and does not get caught, there are no penalties. He or she can be fined if they go "beyond the limits" of their license but that offers no protection to the property owner. So—if you do not see a permit



**Contact the State Workers Compensation office to make sure your contractor has a worker's comp policy. If there is no such policy in force, you could be held liable for any injuries sustained by workers on your property.**

posted on the outside of your building project, call the building department and find out if one is needed before any work is done.

### Legislation

State representatives Eric Croft (D-Anchorage) and Fred Dyson (R-Eagle River), who co-chaired consumer protection hearings in Anchorage last December, said there is no legislation dealing with fraud currently on the table in Juneau.

Croft said that since the Attorney General's office is not permitted to give out any information regarding ongoing cases of fraud, he is

contemplating a bill to change that.

Croft also suggested the state should consider providing "a clearing house—perhaps a web site—where anyone can look up and find out if any complaints have been filed against a company."

Croft acknowledged that fighting fraud will require the state to spend some money. "Perhaps we could use tobacco settlement funds for enforcement by the Attorney General's office for consumer protection."

Dyson said House Bill 49, considered during last year's legislative session, would have established a consumer protection division in the Attorney General's office, headed by a full-time attorney at a cost of \$145,000 the first year and \$138,000 a year after that. It never got out of committee.

The bill that did get out and was approved—HB 203—is not being used, Dyson said. This bill amended several state statutes dealing with "unlawful trade practices," ostensibly to enable plaintiffs to collect more damages in court, thereby increasing the possibility that they would be able to find attorneys willing to handle their cases. It provides that a plaintiff may collect three times the actual damages or \$500, whichever is greater, for each unlawful act. However, any punitive damages awarded to a plaintiff must be split 50-50 with the state.

In addition, if an action is filed in small claims court, the defendant has the right to have it moved to justice court, which usually entails hiring an attorney and can run the cost up for the plaintiff. Also, if the defendant wins, the plaintiff must pay all of the defendant's attorney fees and costs as provided by court rule, in addition to their own attorney fees and costs.

HB 203 became effective in September, but Dyson knows of no instance where its provisions have been used, he said. "No one knows about it—nobody is applying the remedies it provides."

## Levy: Bad repair deal echoed in other lawsuits

*continued from page 18*

### More lawsuits

During the past few months, two more lawsuits have been filed against Johnson claiming the same type of problems as Levy. They bring to 27 the number of lawsuits filed against him and what Levy says are his various businesses.

The Salvation Army said they paid Johnson \$12,000, less a \$500 donation, for a new roof and interior repairs to a house at 7131 Tall Spruce Dr. in Anchorage. The house is used as a residence for Salvation Army officers.

According to the complaint, 10 months after the work was completed, the ceiling began to leak again. The Salvation Army says it cost another \$14,000 to have another contractor re-roof the house and repair damages. The complaint alleges 10 counts of misrepresentation

and fraud and requests triple damages in addition to punitive damages and actual court costs and attorneys fees.

Levy provided the Senior Voice with a copy of the lawsuit.

Susan West, attorney for the Salvation Army, said she does not expect to see the organization to recover much through the litigation. "But I think we have to do it so others can protect themselves. The public needs to know," she said.

The other case against Johnson, the 27th lawsuit overall, was filed by Clark Gruening, doing business as C. G. Enterprises. He is suing Johnson doing business as J & B Roofing and JBS Roofing Inc. and Edna Zimmerman, doing business as JBS Roofing Inc. Gruening alleges a new roof installed by Johnson on a commer-

**During the past few months, two more lawsuits have been filed against Johnson claiming the same type of problems as Levy.**

cial apartment building owned and operated by C. G. Enterprises failed a year after it was installed. Gruening claims Johnson refused to honor his warranty and the roof has since been repaired by another company at a cost of more than \$19,000. Gruening is asking for compensatory and consequential damages and for reasonable costs and attorney fees.

In addition, Gruening claims that J & B Inc. "is not and never was a corporation." He alleges that Edna Zimmerman is "a successor in inter-

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# Special Report: Homeowners beware

## Levy: Learning the pitfalls the hard way

continued from page 19  
est to Thomas Johnson doing business as J & B Roofing" and that the transfer of assets from Johnson, directly or indirectly, to Zimmerman was "a fraudulent conveyance designed to hinder creditors of Thomas Johnson."

### Corporate hide and seek

When Johnson filed for bankruptcy in 1997, more than 100 of his creditors, including Levy, were left with their claims unpaid. He said that his interest in J & B was transferred for \$4,000 to Robert Keinbaum, Barbara Johnson and Edna Shambo, also known as Edna Shambo-Zimmerman.

According to Levy, Johnson testified in court that Edna Shambo-Zimmerman is his aunt. Barbara and Charley Johnson

are his parents. The four live at the same address.

Robert Keinbaum, also named in both the Salvation Army and the Clark Gruening lawsuits, was an associate of Thomas Johnson when he owned the many businesses that are listed as AKAs:

Attorney Robert Allan of Anchorage is representing Edna Zimmerman. He said JBS Inc. is not liable for any of the allegations made in either the Salvation Army lawsuit or that filed by Clark Gruening. "They sued the wrong parties," he said. "JBS Inc. is a very specific name—it is only a couple of years old and it is not liable for any of the work done for either the Salvation Army or for CB Enterprises...they either have a contract with JBS Inc. or they don't. In this case, they don't."



Senior Voice/David Washburn

Regina Levy holds a fraction of the paperwork she has collected after taking a building contractor to court.

When asked about Robert Keinbaum, who is listed as president of JBS Inc. and is a former employee of Thomas Johnson and his

various companies, including J & B Roofing and JBS Roofing Inc., Allan said "what Keinbaum did with other employers has no bear-

ing on this...there can be no guilt by association."

Keinbaum told the court he works for JBS Inc. but not on a steady basis and is currently unemployed. However, Keinbaum answered the telephone when the Senior Voice called the number listed for JBS Inc. He told the Senior Voice that he is president of JBS Inc. but he has no stock in it. He said Edna Zimmerman is the secretary-treasurer of the corporation and holds 100 percent of the stock.

However, corporation papers on file at the Alaska Department of Banking and Commerce list Keinbaum as the registered agent and a director holding 24.5 percent of the stock in JBS Inc. Another 24.5 percent is listed to Charley Johnson and 51 percent to Barbara Johnson.

"Thomas Johnson has nothing to do with JBS — he was hired as a salesman but that didn't work out," Keinbaum said.

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# Expert demystifies home inspections



By Bernard Coppe  
For the Journal

## • What is a "home inspection"?

A home inspection is (or should be) an objective visual examination of the physical structure and systems of a home, from the roof to the foundation. The standard home inspector's report will include an evaluation of the condition of the home's heating system, interior, plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; the foundation, basement and visible structure.

Having a home inspected is like giving it a checkup. However, I stress that a home inspection is not a guarantee that problems will not develop after you move in.

## • Why do I need a home inspection?

The purchase of a home is probably the largest single investment you will ever make. You should learn about the condition of the property and the need for any major repairs

before you buy so that you can minimize unpleasant surprises and difficulties afterward.

After the inspection, you will have a much clearer understanding of the property you are about to purchase and will be able to make a confident buying decision.

## • Can I do it myself?

Even the most experienced homeowner lacks the knowledge and expertise of a professional home inspector who has inspected hundreds, perhaps thousands, of homes in his or her career. An inspector is familiar with all the elements of home construction, their proper installation and maintenance. He or she understands how the home's systems and components are intended to function together, as well as how and why they fail.

Above all, most buyers find it very difficult to remain unemotional about a house they really want, and this may affect their judgment. For the most accurate picture, it is best to obtain an impartial third opinion by an expert in home inspection.

## • Can a house fail inspection?

No. A professional home inspection is an examination of the current condition of your prospective home. It is not an



Coppe

appraisal, which determines market value, or a municipal inspection, which verifies local code compliance. A home inspector, therefore, will not pass or fail a house, but rather describe its physical condition and indicate what may need repair or replacement.

## • When do I call in the home inspector?

A home inspector is usually called right after the contract or purchase agreement has been signed. However, before you sign, be sure that there is an inspection clause in the contract, making your purchase obligation contingent upon the findings of a professional home inspection. This clause should specify the terms to which both the buyer and seller are obligated.

## • What if the report reveals problems?

No house is perfect. If the inspector finds problems, it does not necessarily mean you should not buy the house, only that you will know in advance what to expect. A seller may be flexible with the purchase price or contract terms if major problems are found. If your budget is very tight, or if you do not wish to become involved in future repair work, this information will be extremely important to you.

## • What if I find problems after I move into my new home?

A home inspection is not a guarantee that problems will not develop after you move in.

## • If the house proves to be in good condition, did I really need an inspection?

Definitely. Now you can complete your home purchase with peace of mind about the condition of the property and all its

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Continued on Page 5

## Inspectors give home a checkup

*Continued from Page 4*

equipment and systems.

You will also have learned a few things about your new home from the inspector's report and will want to keep that information for future reference.

First-time home buyers can learn more about selecting, inspecting and financing a

home by calling the "Home ownership Center of Alaska," a Division of Consumer Credit Counseling, at 907-279-6501.

*Bernard Coppe is a home inspector and construction mediator with Four Star Inspection. He can be reached by phone at 907-279-0036, fax at 907-278-1060 or e-mail (fourstar@customcpu.com).*



By Rick Jarvis, CRS, CRP  
Associated Broker  
Re/Max Properties

## Should We Care Who the Buyer Chooses to Do a Home Inspection?

Who are those guys who have so much influence on the residential real estate market? Their written reports and recommendations affect the buying and selling of millions of dollars worth of properties each year. But they are NOT state tested for knowledge, or licensed or regulated in any manner. Their reports and their opinions can and often do influence the decision making of buyers, lenders, appraisers, real estate agents, underwriters, contractors, and specialists of all kinds. Yet they are Not regulated in any manner.

Let me ask you a few questions: What is the purpose of a home inspection? What do you know about the background, experience and training of your favorite "home inspector?" Why should we care? As a Buyer's Agent, should we care who the buyer chooses to do a home inspection? As a Seller representative, should we question a home inspection report or depend upon the appraisers and lender to scrutinize these reports? Have you ever asked a home inspector to show you where his recommendations for repairs are supported by code or lender requirements?

Perhaps the most important question to ask a home inspector is: DO YOU HAVE ERRORS AND OMISSIONS INSURANCE? Could this be important information for a buyer, seller or real estate agent to know about? What if the home inspector makes a mistake? A few are trying to hold their liability to only the cost of the home inspection report. One home inspector said the reason he did not have E & O insurance was to avoid being sued. "That way they don't come after me." Gee. I wonder who a disgruntled buyer or seller will look to next?

Now don't get me wrong, and let me make it perfectly clear: I do believe that there is a vital place and purpose for home inspections within the scope of a real estate transaction. In fact I believe that almost every home inspector I have met tries his best to do a thorough and conscientious inspection.

After conducting an informal survey of home inspectors, the following observations were made:

1. *Every home inspector interviewed agreed that some*

*form of reasonable and reliable regulation for home inspectors is needed.*

2. *Only about half the home inspectors interviewed had Errors and Omission Insurance.*

3. *Three years was about the average time frame a home inspector has been in the business.*

4. *Most thought the American Society of Home Inspectors (ASHI) set the best standards and qualifications for a person to become a home inspector.*

5. *Most every home inspector had a construction, engineering or architectural background.*

6. *On average the home inspectors interviewed conducted between 125-175 home inspections a year.*

The demand for home inspections is ever increasing. Relocation companies are now requiring home inspections on the home purchase by transferee as a requirement for a "buy out" program when the employee is transferred again. Alaska Housing is planning to make home inspections "mandatory" for a buyer to sign. It makes buyers aware of the importance of a home inspection and asks them to indicate whether or not they will be obtaining a home inspection. Indeed, home inspections are becoming a normal routine for most residential transactions.

Let me suggest that all home inspectors organize themselves to become self-regulated. They should set the standards by which all home inspections are conducted and establish the qualifications to become a general home inspector in Alaska. They need to have continuing educational courses. They should have standardized written report forms. They need to have E & O Insurance. They should do this ASAP. And if they cannot organize themselves, then the Real Estate Commission, interested REALTOR<sup>®</sup> Boards, real estate agents, brokers, appraisers, home inspectors, banks and mortgage companies should create a task force to ask the State Legislature to regulate home inspectors.

In the meantime, what to do? Ask lots of questions -- E&O, background, experience, how report is structured, easy to understand, how long to receive, fees, liability, issues, etc. The Anchorage Board is looking for your input about this process. Please send your comments/recommendations: Fax - 563-8476.

# Alaska Housing Finance Corporation

## ICBO CERTIFIED INSPECTORS (ACTIVE)

(Alphabetical by City)

(8/20/98)

\*DENOTES ENERGY RATERS

Anchorage, Barrow, Bethel, Chugiak, Cordova, Craig, Dillingham, Douglas, Eagle River, Elmendorf, AFB, Fairbanks, Girdwood, Haines, Healy, Homer, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Naknek, Palmer, Seldovia, Sitka, Soldotna, Sterling, Valdez, & Wasilla

**Anchorage**      TOP or HOME

NAME	ADDRESS	CITY	ST.	ZIP	(W) PHONE	(H) PHONE	EFFECTIVE MO
Scott Brodt	241 Mariner Dr.	Anchorage	AK	99515	563-8877	345-1814	5
James Brown	PO Box 90770	Anchorage	AK	99509			3
Robert Butera	2423 Juneau St.	Anchorage	AK	99508	276-2259	562-2514	4
Kris Ericson Ericson Building Inspections	7712 Arlene St.	Anchorage	AK	99502	243-0943	248-6641	1
Gregory Garney	3213 Milky Way Cir	Anchorage	AK	99517			4
John McKean	7307 Hennings Way	Anchorage	AK	99504		333-5919	11
Donald Sheppard	6000 Yukon Rd	Anchorage	AK	99516	563-9190	346-2017	1
Barbara Turner	3325 Boniface Pkwy #2	Anchorage	AK	99504		561-6605	5
Richard Tweet McTweets Services	2442 Forest Park Drive	Anchorage	AK	99517		278-9338	4
Paul Wood Baisa	9301 Noblewood Street	Anchorage	AK	99515	441-0173	243-2125	1

**Barrow**      TOP or HOME

Lenny Landis	PO Box 615	Barrow	AK	99723	852-9186	852-2580	1
Marc McCumber Northern Inspection Services	PO Box 1387	Barrow	AK	99723		852-5630	1
Joseph Stankiewicz	PO Box 935	Barrow	AK	99723			11

**Bethel**      TOP or HOME

*Clifford Hickson Aurora Technical Services	PO Box 1091	Bethel	AK	99559	543-3034	543-2743	4
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**Chugiak**      TOP or HOME

Steven Flodin	PO Box 671269	Chugiak	AK	99567		688-2230	1
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**Cordova**      TOP or HOME

Robert Kopchak	PO Box 1126	Cordova	AK	99574	424-7178	424-7178	3
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**Craig**      TOP or HOME

Donald Gibbons	PO Box 307	Craig	AK	99921		826-3368	1
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**Dillingham**      TOP or HOME

Daniel Layland	PO Box 421	Dillingham	AK	99576	842-1232	842-2335	4
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**Douglas**

Jim Smith	PO Box 240442	Douglas	AK	99824		789-2604	11
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**Eagle River**      TOP or HOME

*Stuart Brooks Energy Design Assoc.	17526 Rachel Circle	Eagle River	AK	99577			
Frank Neill, Jr.	PO Box 1854	Eagle River	AK	99577			
Jeb Simpson High Tech Fire Inv.	PO Box 770791	Eagle River	AK	99577			

**Elmendorf AFB**      TOP or HOME

Kevin Jones Quality Home Inspection Services	24371-D Petunia Court	Elmendorf AFB	AK	99506	333-1719		7
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**Fairbanks**      TOP or HOME

Carey Bliss Bliss Construction	1721 Aurora Drive	Fairbanks	AK	99709	451-8652		1
Bryan Borjesson	PO Box 74715	Fairbanks	AK	99707	451-4482	451-4482	4
George Buchanan	870 Chena Pump Rd.	Fairbanks	AK	99709		479-6380	4
Donald Callahan	606 Bennington Drive	Fairbanks	AK	99709	479-2678	479-2678	4
Clemens Clooten Interior Inspection Serv.	1163 Linda Lou Lane	Fairbanks	AK	99712	459-6727	457-7604	6
Philip Dillon	PO Box 75289	Fairbanks	AK	99707		456-5002	4
Terry Duszynski Duszynski & Associates	1464 Birchwood Drive	Fairbanks	AK	99709		479-3324	4
Charles Jeannet North Star Insp. Services	599 Arvita Court	Fairbanks	AK	99712	452-5000	452-3573	4
John Keys Keys Building Analysis, Inc.	PO Box 84791	Fairbanks	AK	99708	488-0370		2
Lynn Kuhl	5151 Electra Ave.	Fairbanks	AK	99709	372-4380	452-5601	4
David Lanning Lanning Engineering	PO Box 82737	Fairbanks	AK	99708		479-7711	4
Ellen Mannion	PO Box 70128	Fairbanks	AK	99707	457-7645		4
Thomas Marsh	221 Kody Drive	Fairbanks	AK	99701	451-9353	458-0223	4
George Murphy	PO Box 71302	Fairbanks	AK	99707		474-4775	11
Robert Ralston Borealis Inspection	3060 Riverview Drive	Fairbanks	AK	99709	479-9054		1
James Richardson	1032 8th Avenue	Fairbanks	AK	99701		456-6236	1

**Girdwood**      TOP or HOME

Donald Davis Girdwood Services	PO Box 674	Girdwood	AK	99587	783-2952		1
William Lazarus Yankee Ingenuity	PO Box 421	Girdwood	AK	99587		783-2263	1

**Haines**      TOP or HOME

Michael Rostron Mike Rostron & Company	PO Box 185	Haines	AK	99827		766-3026	1
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Healy TOP or HOME

Timothy Russell Rock & Roll Construction	HC 1 Box 2601	Healy	AK	99743		683-2466	1
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Homer TOP or HOME

William Bloom Advanced Home Inspec.	PO Box 4194	Homer	AK	99603		235-4227	1
Ken Fisher	PO Box 1736	Homer	AK	99603		235-7592	4
Thomas Laing Building Assistance Centr.	35035 Lowbush	Homer	AK	99603	235-7475		4
Robert Pankratz	PO Box 1856	Homer	AK	99603		235-7086	4
*Ted Veal Ted Veal & Co.	539 Elderberry Road	Homer	AK	99603	235-7461		1
Franco Venuti Fine Homer Building	PO Box 3652	Homer	AK	99603	235-7480	399-1550	6
*Steven Wisdom Wisdom & Associates	PO Box 4184	Homer	AK	99603-4184		235-6045	1

Juneau TOP or HOME

David Bach	PO Box 32514	Juneau	AK	99803	586-5230		5
Linda Esther	PO Box 34684	Juneau	AK	99803		790-2041	1
David Kerr	4946 Steelhead Street	Juneau	AK	99801	586-5230	789-0624	2
Ke Mell Ke Mell Architects	PO Box 21898	Juneau	AK	99802	463-3942		2
*Craig Moore First City Builders	PO Box 20072	Juneau	AK	99802	586-6697		2
Stephen Shows	19137 Randall Road	Juneau	AK	99801			1

Kenai TOP or HOME

Mark Blanning	PO Box 1041	Kenai	AK	99611			4
Robert Springer RS Inspection Services	1206 3 <sup>rd</sup> Avenue	Kenai	AK	99611	283-3969	283-3969	11

**Ketchikan**      TOP or HOME

Kenton Bowers	482 Forest Park Dr.	Ketchikan	AK	99901			3
Charles Dearden Goldcoast Builders	PO Box 8945	Ketchikan	AK	99901	225-6822	225-6822	1
Edward Stahl	651 Deerberry Court	Ketchikan	AK	99901		247-2481	1

**Kodiak**      TOP or HOME

Louis Schneider LG Schneider & Sons, Inc	PO Box 2703	Kodiak	AK	99615	486-3304		1
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**Kotzebue**      TOP or HOME

Sandy Huss Husky Enterprises	PO Box 790	Kotzebue	AK	99752	442-3125		11
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**Naknek**      TOP or HOME

Garth Cramer Cramer Enterprises	PO Box 186	Naknek	AK	99633	246-6103	246-6103	1
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**Palmer**      TOP or HOME

Robert Carl Active Inspection Services	PO Box 3694	Palmer	AK	99645	376-0402	376-0402	5
David Owens	PO Box 3589	Palmer	AK	99645		746-5471	1
Carol Perkins Active Inspections, Inc.	PO Box 3694	Palmer	AK	99645	376-0402		1

**Seldovia**      TOP or HOME

Hugh Smith	PO Box 115	Seldovia	AK	99663		234-7678	1
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**Sitka**      TOP or HOME

Oz Kendall	PO Box 2403	Sitka	AK	99835		747-4324	4
Harold Stucker	PO Box 2457	Sitka	AK	99835		747-5110	1

**Soldotna**      TOP or HOME

*Stephen Bonebrake Bonebrake Engineering	PO Box 2497	Soldotna	AK	99669	262-9107	262-1671	1
Larry Gross	HCR1 Box 8045	Soldotna	AK	99669	262-3210	262-3128	1
David Johnson	PO Box 4087	Soldotna	AK	99669	262-5210	262-9873	2
Rhonda Sykes Mike Taurianen	35186 Spur Highway	Soldotna	AK	99669			2

**Sterling**      TOP or HOME

David Bunnell Unique Services	PO Box 728	Sterling	AK	99672	262-3283		2
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**Valdez**      TOP or HOME

Vernon Ellwein	5365 Chalet Drive	Valdez	AK	99686	835-4313	835-5756	5
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**Wasilla**      TOP or HOME

*William Bruu Ti-Le-An Mgmt., Inc.	165 E Parks Hwy. Suite 207	Wasilla	AK	99654	373-5296	376-6430	1
Alvah Buswell Mark IV Enterprises	951 E. Creekside Dr. # 9	Wasilla	AK	99654	753-3243	373-3030	1
Timothy Krug	PO Box 874904	Wasilla	AK	99687		373-5784	1
Michael Pebsworth MPEB Inspection Services	PO Box 875044	Wasilla	AK	99687	349-6732	344-5406	1
David Sauter	PO Box 874965	Wasilla	AK	99687	376-6045		12

TOP or HOME

by Cal Williams [cwilliam@ahfc.state.ak.us](mailto:cwilliam@ahfc.state.ak.us) 1-907-330-8433



Welcome to [www.aahi.com](http://www.aahi.com), brought to you by the American Association of Home Inspectors (AAHI™). For general information about AAHI™ or the Information form for Membership or Training courses

If you're in the home inspection business and would like information on joining AAHI™, browse through the Membership Benefits. You'll also want to look at our Membership Requirements and Application Form.

Interested in a career in the home inspection industry? Browse through Home Inspector Training Courses.

Consumers searching for available inspectors in their area will find our online "Certified Home Inspectors" database and "Members' Webpages" database useful.

Browse through the AAHI™ Professional Code of Ethics and Standards of Practice.

Questions ? Contact Weldon Sikes  
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Telephone: 806-794-1190



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# General Information

on  
AAHI<sup>TM</sup>

American Association of Home Inspectors Inc.  
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Phone 806-794-1190 Fax 806-794-8901

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E-Mail: [aahi@aahi.com](mailto:aahi@aahi.com)

The American Association of Home Inspectors Inc. is a professional membership organization of "Certified Home Inspectors"<sup>TM</sup> nationwide. AAHI<sup>TM</sup> was organized in 1989 by the American Institute of Home Inspectors, who has been training home inspectors since 1981.

AAHI<sup>TM</sup> is the only National Association that certifies Home Inspectors using a Certification Mark granted by the United States Patent and Trademark Office (Reg. No. 1,662,100) in 1991. The Certification Mark is to be used to certify certain person or persons that have met the education and/or experience criteria as set forth by AAHI<sup>TM</sup>. Current members of AAHI<sup>TM</sup> are granted the right to use this Registered Certification Mark.

AAHI<sup>TM</sup> is the Nation's leading Home Inspectors Association and is not controlled by a group of selected inspectors and does not require sponsorship or approval by your competition for membership. AAHI<sup>TM</sup> has members in 48 states, Canada and Puerto Rico.

The mission of AAHI<sup>TM</sup> is to:

- \* Represent it's membership in the Real Estate industry nationwide.
- \* Promote the "Certified Home Inspector"<sup>TM</sup> Certification and Logo to the Real Estate industry and Homebuyers nationwide.
- \* Provide a Standards of Practice to enhance consumer protection.
- \* Provide a Professional Code of Ethics to promote public awareness of AAHI<sup>TM</sup> members.
- \* Provide cooperation in the Real Estate industry between Realtors®, Homebuyers, Sellers and Home Inspection Industry.
- \* Furnish Home Inspector Training that is within the reach, financially, of all who are interested in a career as a home inspector.

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AAHI™  
CODE OF PROFESSIONAL ETHICS  
1994 Addition

Each INSPECTOR will perform his duties with the highest standard of integrity, professionalism, and fidelity to the public and the client, with fairness and impartiality to all. Each INSPECTOR shall accept these STANDARDS as his own, pledge himself to observe the spirit of said STANDARDS, in accordance with the following CODE OF ETHICS:

- A. In accepting employment as an inspector, each INSPECTOR shall protect and promote the interests of his client to the best of his ability and knowledge, recognizing that his client has placed his trust and confidence in the INSPECTOR.
- B. Each INSPECTOR shall always endeavor in the best interest of his client and his profession, to maintain and increase his level of knowledge regarding new developments in the field of inspections.
- C. Each INSPECTOR shall conduct his business in a manner which will assure his client of the inspector's independence from outside influence and interest, which would compromise his ability to render a fair and impartial opinion, regarding any inspection performed.
- D. The INSPECTOR will not disclose any information concerning the results of the inspection without the approval of the client for whom the inspection was performed.
- E. The INSPECTOR will not accept compensation, financial or otherwise, from more than one interested party for the same service on the same property without the consent of all interested parties.
- F. The INSPECTOR will not accept nor offer commissions or allowances, directly or indirectly, from other parties dealing with the client in connection with work for which the inspector is responsible.
- G. The INSPECTOR will promptly disclose to the client any interest in any other business which may effect the client, the quality, or the result of the inspection. The INSPECTOR will not knowingly use the inspection process to obtain work in another field.
- H. Use of the AMERICAN ASSOCIATION OF HOME INSPECTOR'S "CERTIFIED HOME INSPECTOR"™ name and logo is limited to those persons holding a current CERTIFICATION.

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**AAHI™**  
**American Association of Home Inspectors**  
**Standards of Practice**  
1996 Edition

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**STATEMENT OF PURPOSE**

The American Association of Home Inspectors (AAHI)™ was organized to advance the standards of professionalism and ethical procedures of its "CERTIFIED HOME INSPECTOR"™ members. AAHI™ shall certify and recognize all qualified home inspectors, assist, train, educate and furnish support services to them for the best interest of the inspection profession and the public. AAHI™ objectives include promotion of the "CERTIFIED HOME INSPECTOR"™ members service to the public.

**INTRODUCTION:**

These inspection guidelines are set forth by the UNIFORM STANDARDS OF PRACTICE of the American Home Inspectors Association™, and are for a MINIMUM performance for written residential home inspections. These Standards are to define and clarify the purpose, conditions, limitations, exclusions and certain terms relating to the inspection. These Standards will identify those items, components and systems which are to be included within the scope of the inspection. Inspections performed under these Standards are basically visual and rely upon the opinion, judgment and experience of the Inspector and are not intended to be **TECHNICALLY EXHAUSTIVE**.

**SCOPE:**

**A. Inspector Shall:**

1. Observe installed systems and components listed in these Standards;
2. Submit a written report to the client which shall:
  - a. Identify certain components specified in these Standards;
  - b. Perform a limited visual and audible on-site observation of the structural components, exposed plumbing, heating, cooling systems, electrical systems and built-in appliances;
  - c. Give a personal opinion as to whether or not the components and/or systems are **OPERABLE** or **INOPERABLE AT THE TIME OF THE INSPECTION**,

that is, whether such items are **PERFORMING THE FUNCTION FOR WHICH THEY ARE NORMALLY INTENDED; OR IN NEED OF IMMEDIATE REPAIR;**

- d. **Note any installed systems or components specified in these Standards which were not observed and state why they were not observed.**

**B. These standards are not intended to limit the Inspector from:**

1. **Reporting observations and conditions in addition to those required;**
2. **Providing additional inspection services or inspecting additional items and/or systems;**
3. **Excluding various systems and/or components from the inspection.**

**SECTION 1 STRUCTURAL COMPONENTS:**

**1. FOUNDATION & FLOOR SYSTEMS**

**A. Components to be Inspected:**

1. **Foundation;**
2. **Floor Systems;**
3. **Ventilation (when applicable);**
4. **Split Levels and Basements.**

**B. Inspection Procedures:**

1. **Identify type of structure (slab on ground, crawl-space, split level, etc.);**
2. **Identify the materials of the inspected components (masonry, concrete block, stone, wood, etc.);**
3. **Observe conditions of all exposed areas of foundation, walls and slab;**
4. **Observe conditions of the fireplace and/or chimney foundation, if visible;**
5. **Inspect crawl-space and basements for indications of flooding, water or moisture penetration;**
6. **Observe crawl-space ventilation and vapor barriers;**
7. **Check the function of any accessible sump pump;**
8. **Inspect any associated stair structure.**

**C. Components Not Normally Inspected or Activated:**

1. **Crawl-spaces with headroom of less than 3 feet where adverse conditions exist or in the opinion of the inspector entering might damage the property;**
2. **Move stored items or debris or perform excavation to gain access;**
3. **Enter areas which may contain materials hazardous to health and/or safety of the Inspector.**

**2. EXTERIOR/ INTERIOR STRUCTURE**

**A. Components to be Inspected:**

1. **Exterior Wall Components;**
2. **Exterior Moldings and Trim;**
3. **Windows and Doors;**
4. **Weather Seals and Protective Coatings;**
5. **Surfaces of Fireplaces, Flues, and Chimneys;**
6. **Interior Walls, Floors, and Ceilings;**
7. **Stairways and Balconies;**
8. **Kitchen Cabinets.**

**B. Inspection Procedures:**

1. Inspect and identify the type of structure and condition (wood frame / brick veneer, block, siding, shingle, stucco, wood, asbestos, hardboard, masonry, etc.) of all exterior components;
2. Observe conditions of a representative number of exterior windows and doors including associated trim and hardware, and any storm windows and screens when applicable;
3. Inspect conditions of the exterior portions of fireplace and chimney that are readily visible;
4. Observe conditions of accessible attached porches, decks, steps, balconies and carports;
5. Inspect conditions of the floors, walls and ceilings, relative to structural integrity and for evidence of moisture penetration;
6. Inspect conditions of the interior portions of fireplace, dampers, and hearths that are readily visible;
7. Inspect conditions of the steps, stairways, balconies, and railings;
8. Observe the exterior of kitchen cabinets and countertops to determine condition;
9. Check a representative number of interior doors and their hardware.

**C. Components Not Normally Inspected or Activated: (Not all Inclusive)**

1. Unattached buildings, fences or other types of enclosures, canopies or covers not specifically included within the scope of the inspection;
2. Decks, patios and similar structures not attached to the house or another inspected building;
3. The function or operation of shutters, awnings, window covering or other such accessories;
4. The presence, extent and type of insulation and vapor barriers in the exterior walls;
5. Interior of the chimney flues;
6. Enter areas which may contain materials hazardous to health and safety of the inspector;
7. Fireplaces or stoves, to determine the adequacy of draft, perform a chimney smoke test or inspect any solid fuel device while in use;
8. Inserts or other modifications in any fireplace, stove or chimney;
9. Crawl-spaces with headroom of less than 3 feet or where other adverse conditions exist;
10. Components not readily accessible because of stored items or debris;
11. Cosmetic condition of ceilings, walls, floors or any of their components or coverings, except in cases of water penetration;
12. The operation of security locks, devices or systems.

**3. ROOF SYSTEMS****A. Components to be Inspected:**

1. Framing, Sheeting and Decking;
2. Roof Covering;
3. Roof Flashing;
4. Rain Gutters;
5. Down Spout Systems;
6. Attic Insulation;
7. Attic Ventilation;
8. Soffits and Fascia;
9. Skylights and other Roof Accessories.

**B. Inspection Procedures:**

1. Identify materials and observe the condition of the visible roof structure and materials, attic components, rain gutter and downspout systems, roof flashing, sky lights and accessories that are visible from the exterior;
2. Whenever possible, inspect the roof surface and components from walking the roof, arms length distance or with the use of binoculars;
3. Inspect flat roofs for condition where accessibility is readily and safely available;
4. Observe and report approximate attic insulation levels when visible;
5. Check for proper attic ventilation;
6. Report any visible evidence of the presence of moisture from view of attic;
7. Inspect all soffit and fascia for condition and water seals.

**C. Components Not Normally Inspected: (Not all Inclusive)**

1. Enter attic spaces that are not readily accessible, unsafe for the inspector or where access could damage ceilings or insulation;
2. Walk on or access a roof where it could damage the roof or roofing materials or be unsafe for the inspector;
3. Internal gutter and downspout systems and related underground drainage piping;
4. Antennas, lightning arrestors and similar attachments;
5. Enter areas without adequate walking surfaces but may limit observations to areas visible from attic openings;
6. Temperature, pressure or wind activated equipment when it is not in the operating mode;
7. Access panels where it would break or damage the surface finish or weather seal;
8. Determine the cause and/or location of any evidence of moisture.

**4. GRADING AND DRAINAGE****A. Components to be Inspected:**

1. Building perimeter, land grade and water drainage directly adjacent to the foundation;
2. Walks, steps, driveways, patios and retaining walls contiguous with the structure;
3. Trees and vegetation that adversely affect the structure.

**B. Inspection Procedures:**

1. Identify materials and inspect the conditions of the driveways, walkways, retaining walls, patios and other included items continuous with the inspected structure;
2. Observe the drainage, grading and vegetation for conditions that adversely affect the structure.

**C. Components not Normally Inspected: (Not all Inclusive)**

1. Fences or privacy walls;
2. Physical condition of trees, shrubs and other vegetation;
3. Items concerning soils, geology, site engineering or determine property boundaries.

**SECTION 2 BUILT-IN APPLIANCES****A. Components to be Inspected:**

1. Dishwasher;
2. Garbage Disposal;
3. Gas and/or Electric Range;
4. Vent Hood/ Exhaust Fans.

**B. Inspection Procedures:**

1. Identify the type of appliance, brand name and energy source;
2. Perform a complete visual and operational inspection of each appliance;
3. Check performances of each appliance for basic functions.

**C. Components not Normally Inspected or Activated: (Not all Inclusive)**

1. Devices which require the use of special keys, codes or combinations;
2. Timers, thermostatic controls, ice makers and such auxiliary components of other items inspected;
3. Freestanding appliances including but not limited to refrigerators, washing machines or dryers.

**SECTION 3 PLUMBING SYSTEMS****A. Components to be Inspected:**

1. Interior Water Distribution System;
  - a. Water supply for functional flow;
  - b. Kitchen fixtures and components;
  - c. Visual water supply lines;
  - d. Washer box components;
  - e. Commodes and components;
  - f. Lavatories and components;
  - g. Tub and/or shower components;
2. Interior Drain, Vent and Waste Systems (Visual);
  - a. Traps, drains, waste lines, and vent piping;
  - b. Leaks;
  - c. Drainage for functional flow;
3. Water Heating Systems;
  - a. Water heating equipment;
  - b. Normal operating controls;
  - c. Combustion air and venting;
  - d. Clearance to combustibles.

**B. Inspection Procedures:**

1. Identify the source of the main water supply (Private or Public);
2. Test water supply for functional flow;
3. Verify the presence of a main valve and determine if the system to be inspected is activated;
4. Identify the type of water heater system, brand and energy source;
5. Operate the water heater and check for the presence of safety devices;
6. Operate all fixtures through a normal cycle and do a visual check of all exposed components;

7. Check all visual waste/drain lines and vent lines for functional flow;
8. Indicate type of sanitary waste system (Private or Public).

**C. Components Not Normally Inspected or Activated: (Not all Inclusive)**

1. Any main, branch or fixture valve, except faucets;
2. Any system which is shut down or secured;
3. Any plumbing component that is not readily accessible;
4. Any exterior plumbing component such as water mains, private water sources including water wells, sewer mains, private sewer or disposal systems, sprinkler systems, swimming pools, hot tubs, similar or related items.
5. Fire sprinkler systems
6. Water quality and purification of the water supply
7. Water conditioning equipment, including softener and filter systems
8. Test Shower pans for leakage
9. Gas or oil supply systems
10. Temperature and pressure relief valves
11. Health or safety of cesspool and/or septic tanks
12. The capacity, adequacy or efficiency of any hot water systems

## **SECTION 4 ELECTRICAL SYSTEMS**

**A. Components to be Inspected:**

1. Service Entrances;
2. Main distribution System;
  - a. Main Overcurrent Device;
  - b. Circuit Breaker Panels;
  - c. Fuse Boxes;
  - d. Wire Type;
  - e. Exposed Junction Boxes;
  - f. Exposed Grounding Cables;
  - g. Ground Fault Circuits;
3. Electrical Components;
  - a. Switches;
  - b. Receptacles;
  - c. Lighting Fixtures;
  - d. 220 Volt Receptacles;
  - e. Exposed Grounding Wires.

**B. Inspection Procedures:**

1. Identify type of primary service (overhead or underground), the type of overcurrent protection devices (fuses or breakers);
2. Establish the existence and condition of connected service grounding cables;
3. Check the branch circuit wiring at the main and sub-panels for any aluminum wiring;
4. Determine the function of a representative number of accessible switches, receptacles and light fixtures in each room or area of the building;
5. Test and/or verify grounding polarity of all receptacles in proximity to plumbing fixtures or on the exterior, including ground fault interrupter;
6. Check the visible wiring and other components for function;
7. Check for any potential safety hazards.

**C. Components Not Normally Inspected or Activated: (Not all Inclusive)**

1. Main or sub-panels requiring any tool, probe or testing device;
2. Electrical systems or branch circuits which are not energized;
3. Overload protection devices except G.F.I.C.;
4. Auxiliary systems including, but not limited to: burglar alarms, home protection systems, low voltage relays, antennas, electrical de-icing tapes, sprinkler system wiring, swimming pool wiring, hot tub wiring, and satellite dish or any system which is timer controlled;
5. Move any object, furniture, or appliances to gain access to any electrical component;
6. Test each and every switch, receptacle and fixture;
7. Remove switch and outlet cover plates;
8. Electrical equipment that is not readily accessible, nor dismantle any electrical device or control;
9. The adequacy or efficiency of amperage, voltage ratings or other systems.

## **SECTION 5 HEATING / COOLING SYSTEMS**

### **1. HEATING SYSTEM**

#### **A. Components to be inspected:**

1. Permanent Heating Equipment;
  - a. Gas Forced Warm Air Units;
  - b. Electric Forced Warm Air Units;
  - c. Heat Pumps;
  - d. Auxiliary Heating Systems;
  - e. Combustion Air;
  - f. Vent Pipes.
2. Distribution Systems.

#### **B. Inspection Procedures:**

1. Identify the type of system, brand name, energy source, number of units or system;
2. Operate system using the normal control devices to determine if functional;
3. Open access panels or covers provided by the manufacturer or installer, that are readily accessible, so that the enclosed components can be inspected;
4. Check function of the accessible controls and components;
5. Check a representative number of heating outlets in each habitable area;
6. Check a representative number of return air outlets in each habitable area;
7. Identify type of material, construction and insulation of heat distribution system;
8. Check for proper duct to plenum connections;
9. Check for proper duct to air flow grill connections.

#### **C. Components Not Normally Inspected or Activated: (Not all Inclusive)**

1. Heating systems that have been shut down or do not respond to normal controls;
2. Remove covers and control panels that are not readily accessible;
3. Dismantle any equipment, controls or gauges;
4. Heating system accessories such as humidifiers, air purifiers, motorized dampers, heat reclaimers, heat exchangers and similar devices;
5. Solar heating or collection systems;
6. Activate or operate heating or heat pump equipment and/or systems, when in the judgment of the inspector, it may not be conducive to safe operation, or may

7. **cause damage to the equipment;**
7. **Type of materials contained in insulation and/or wrapping pipes, ducts, jackets, and boilers;**
8. **Digital type thermostat controls;**
9. **The efficiency or adequacy of the equipment or the system.**

## **2. CENTRAL COOLING SYSTEMS**

### **A. Components to be Inspected:**

1. **Refrigerated Cooling Equipment;**
  - a. **Air Handling Equipment;**
  - b. **Compressor;**
  - c. **Condenser Coil;**
2. **Distribution System**

### **B. Inspection Procedures:**

1. **Identify the type of system, brand name, equipment, energy source, number of units or systems to be inspected if activated;**
2. **Operate system using the normal control devices;**
3. **Open access panels or covers provided by the manufacturer or installer, that are readily accessible, so that the enclosed components can be checked;**
4. **Identify type of material, construction, and insulation of distribution system;**
5. **Check for proper duct to plenum connections;**
6. **Check for proper duct to air flow grill connections;**
7. **Check a representative number of the air cooling outlets in each habitable area.**

### **C. Components Not Normally Inspected or Activated: (Not all Inclusive)**

1. **Cooling systems that have been shut down or do not respond to normal controls;**
2. **Gas-operated refrigeration systems, evaporative window coolers, wall or window mounted air conditioning units;**
3. **System coolant pressure or determining the presence of leakage;**
4. **Determining the efficiency or adequacy of the equipment or the system;**
5. **Equipment when the exterior temperature is below 60 degrees (F) or when in the judgment of the inspector there are conditions not conducive to safe operation or which may cause damage to the equipment;**
6. **Panels which are not readily accessible;**
7. **Dismantle any equipment, controls or gauges;**
8. **Digital type thermostats or controls;**
9. **Commercial type units including but not limited to chilled water systems or any shared units;**
10. **Units that have been winterized.**

## **SECTION 6 DEPARTURE PROVISIONS**

1. **The inspector shall exclude from the inspection any part, component or system which the inspector is not competent or qualified to inspect.**
2. **The inspector may exclude any part, component or system required for inspection which is inaccessible, which cannot be inspected due to circumstances beyond the control of the inspector, or which the client has agreed should not be inspected.**

3. This provision is not intended to prohibit an inspector from specializing or limiting himself to a given specialty nor to require the inspector to specifically exclude other parts, components or systems not ordinarily considered a part of his specialty.
4. The inspector shall comply with these standards of practice for the items being inspected or notify the client as required by this provision.
5. If an inspector excluded any parts, component or system described in this section, other than one which the client has agreed would not be inspected, the inspector shall:
  - a. Advise the client at the earliest practical time that the specific part, component or system will not be included in the inspection;
  - b. Confirm in any written inspection report given to the client that the specifically listed part, component or system has not been inspected.

### LIMITATIONS AND EXCLUSIONS

1. These standards apply to Single-Family dwellings.
2. The inspection performed under these STANDARDS is basically visual and relies upon the opinion, judgment and experience of the inspector, and is not intended to give opinions on TECHNICAL APPLICATION, or LIFE EXPECTANCY of items on this inspection.
3. No representation or comment is made concerning any latent defects not reasonably observable at the time of the inspection, including, but not limited to recent repairs, painting or covering which may conceal prior or resent damage.
4. Inspections performed under these STANDARDS shall not be construed as a compliance inspection of any CODE, GOVERNMENTAL regulation, estimate of market value or appraisal.
5. In the event any local, state or federal law prohibits a procedure set forth in these STANDARDS, the appropriate law or statute shall prevail and the INSPECTOR is relieved of any and all obligation to adhere to the prohibited part of the Uniform Standards.
6. Inspections performed under these STANDARDS exclude item(s) which are concealed or not readily accessible. The INSPECTOR may remove access panels and covers, which are not readily detachable, but is not required to do so.
7. The INSPECTOR shall not be required to move furniture, personal or stored items, lift floor covering, move wall or ceiling coverings, nor perform any test(s) or procedure(s) which could damage or harm the item(s) being inspected.
8. Excluded are the conditions and operation of on-site water supplies or domestic wells, including water quality and purification. Condition, operation or sanitation of on-site sewage disposal systems such as cesspools, septic tanks, drain fields and related piping, conduit and equipment.
9. Excluded is the evaluation of the capacity, adequacy or efficiency of heating systems, cooling systems, electrical systems or water heating equipment. Also excluded is the testing, operation or inspection solid fuel stoves, space heaters and solar heating or cooling devices.
10. Heating or cooling systems which have been shut-down or taken out of service will not be activated by the INSPECTOR. Any system(s) or equipment, including but not limited to

- central air conditioning, which in the opinion of the INSPECTOR may be damaged due to ambient temperature or other conditions if operated or tested will not be inspected.
11. The INSPECTOR is not required to walk on a roof when it could damage the roof or roofing materials or be unsafe for the INSPECTOR, nor to remove snow, leaves, debris or other materials that would prohibit observations of any of the roof surface(s) and component(s).
  12. The determination of the presence of damage caused by termites and/or any other wood damaging insect and/or organism is excluded.
  13. These STANDARDS do not include, and the INSPECTOR is not responsible for, the determination of conditions, past or present, which may cause bacteria, molds and fungi, nor the presence of dirt, dust or airborne particles such as asbestos or gases, including but not limited to radon and other noxious conditions of air quality.
  14. The INSPECTOR is not required to enter crawl areas where the headroom is less than three (3) feet, or where adverse conditions exist.
  15. The use of special instruments or testing devices, such as but not limited to, amp meters, pressure gauges, moisture meters, gas detectors or similar equipment is not required.
  16. The INSPECTOR is not required to include or to divulge any information from a seller's disclosure, a governmental agency or any other source concerning, but not limited to previous geological, environmental or hazardous waste conditions of the property or violations of Codes, Ordinances or other such conditions.
  17. Excluded are the following items, equipment, and/or systems: pools, saunas, hot tub, alarms, intercoms, speaker systems, radio or electronic controller and security devices; nonfixed appliances such as but not limited to, washers, dryers, portable dishwasher and refrigerators; thermostat and/or timer controls, water softeners, filters and conditioners; shower drain pans, underground piping, conduit, wiring, sprinkler systems or central vacuum systems.
  18. The INSPECTOR is not required to report on:
    - A. The methods, materials or cost of corrections;
    - B. The suitability for any specialized use;
    - C. The advisability or inadvisability of purchase of the property;
    - D. Cosmetic items, underground items or items not permanently installed.
  19. The inspection is performed and the report is furnished on an opinion basis as determined by the INSPECTOR based upon a limited visual and audible on-site observation at the TIME AND DATE of the inspection.
  20. The performance of the inspection under the STANDARDS is neither expressed nor implied warranty and/or guarantee to the operation of any items after the TIME AND DATE of the inspection.
  21. The AMERICAN ASSOCIATION OF HOME INSPECTORS™ requires that each INSPECTOR performs inspections in accordance with these STANDARDS and any applicable law(s).

[Home](#) [Training](#) [Ethics](#) [Members](#) [Standards](#) [Benefits](#)

**BENEFITS OF  
MEMBERSHIP**

**STATE BY STATE  
MEMBERS**

**CHAPTER  
INFO**

**TRAINING  
SUPPLIERS**

**HOME**



**Don't Miss Our Upcoming Seminar!**

The National Association of Home Inspectors, Inc. (NAHI) was established in 1987 as a nonprofit association to promote and develop the home inspection industry. The mission of the National Association of Home Inspectors is to promote excellence and professionalism in the Home Inspections industry; to provide a standards of practice and a code of ethics; to educate its members; and to inform the public of the benefits and scope of a professional home inspection.

By working together to develop and maintain standards of excellence, NAHI members benefit from professional development and the exchange of ideas through continuing home inspection education and seminars. Information and support are available for members regarding their business and inspection practices and service to their clients.

NAHI's promotional activities educate the public and promote the importances of a reputable home inspection as an integral part of the residential real estate transaction. For more information about this home inspection organization in your area, just click on the menu buttons to the left or the links below.

And remember, our national home inspection referral service helps consumers find facts about the home inspection industry and NAF<sup>®</sup> standards, and unites NAHI members with new clients in all 50 states:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming

**4248 Park Glen Road Minneapolis, MN 55416**

**(800) 448-3942**

**(612) 928-4641**

E-MAIL: [info@nahi.org](mailto:info@nahi.org)


**Benefits of Membership** \* **State by State Members**  
\* **Chapter Information** \* **Training Suppliers** \*  
**Home Advertising and Web Page Links**  
**Information**

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Graphics & Web

This site is best viewed by  Internet Explorer 3.0 or  Netscape Navigator 3.0 or greater

BENEFITS OF  
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Becoming  
An Inspector

Becoming  
A Member

Upcoming  
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## Becoming a Home Inspector

### What Do I Need to Become a Home Inspector?

ANSWER: Home inspection is not a difficult business to enter, but having a rudimentary knowledge of buildings and the way they are constructed is helpful. Many allied businesses deal in-part with subjects important to the home inspector. Fields such as building or remodeling, contracting, appraisal, engineering, architecture, real estate sales, rentals or maintenance, even sub-contractor trades, are good prerequisites for being a home or building inspector. A sense of curiosity is also a big plus for anyone wanting to make a good living performing home inspections.

### Money is Good, But Education Needed

The home inspection industry, not regulated in most states, is lucrative. But becoming a home inspector takes much more than having a telephone and occupational license. It also takes commitment, knowledge and experience. NAHI's ongoing educational seminars keep you informed about home inspection industry trends. NAHI will also provide you with a list of schools that offer courses teaching the skills needed to perform a home inspection.

### An Inspection is an Important Part of Real Estate Transactions

The home inspection is a pivotal event in the purchase of a

home. Everyone involved in a real estate transaction has different agendas, and tempers can easily flare. It is important the home inspector has the ability to enter the purchase process, give a knowledgeable unbiased opinion on the condition of equipment in the building and exit the purchase process without subsequent liability suits or complaints. You should develop excellent interpersonal skills, as you will have large amount of client contact.

### **Decrease Your Liability**

Writing clear, accurate, legible reports is extremely important. Home inspection reports are key documents in real-estate transactions. Being clear, precise and accurate is essential and prevents lawsuits. Having errors-and-omissions insurance will reduce your risk.

### **NAHI: An Inspector's Valuable Resource**

Membership in the National Association of Home Inspectors is a valuable resource. You gain access to home inspection techniques and business savvy through educational conferences, a bi-monthly newsletter, a national referral service, membership directory, standards of practice guidelines and a code of ethics. NAHI promotional materials will help your business get off to a quick and prosperous start. Regular members can use the widely recognized NAHI logo on marketing materials.

One of the most valuable benefits of belonging to NAHI is the ability to seek advice from fellow members across the country. Networking with other members makes learning easier and provides you with someone to call when knowledge is needed to solve different problems which will invariably arise. A NAHI Membership is like having hundreds of helpful business partners!

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## **Becoming a NAHI Member**

Click [HERE](#) for a printable application form.

### **What is NAHI?**

We are the National Association of Home Inspectors. NAHI is a non-profit association created for you, the home inspector. NAHI was established to promote and develop the home inspection industry and further the professionalism of our members by promoting educational opportunities, public policy and industry practices to protect consumers from fraudulent, misleading, and deceptive practices. The *NAHI Standards of Practice & Code of Ethics* was developed for our members, to promote the professionalism of home inspectors and to provide a consistent method of performing home inspections.

### **What Benefits Do You, as a Member, Receive from NAHI?**

In this day and age, everyone wants to see your credentials.

NAHI membership is sought by many inspectors for this reason. We have two levels of membership:

**Provisional** --- for individuals new to the home inspection industry or just starting out. Individuals can remain a provisional member for up to two years.

**Regular** --- for the seasoned home inspector. Regular members have met NAHI's requirements of training and experience.

**The Registered Real Estate Inspector (RRI)** designation is bestowed upon home inspectors who demonstrate their knowledge of, and proficiency at, all aspects of home inspection. The RRI designation is received only after having conducted 250 inspections, passing the required examination and meeting all requirements set forth by the Board of Directors.

NAHI has developed a *Standards of Practice & Code of Ethics* for use as a guideline in your business. The Standards outline various components and procedures of a professional home inspection. In addition, it will address for you and your clients, the purpose, scope and limitations of the inspection process. NAHI's Code of Ethics promotes ethical, responsible inspections according to NAHI Standards, our members are better protected from liability.

NAHI provides **educational opportunities** for its members. National and Chapter seminars give members an opportunity to gather and learn more about the Home Inspection industry.

NAHI provides a **national referral service** to help consumers find NAHI inspectors in their area and to help consumers find out facts about the industry.

**Information and support** are only a phone call away. The NAHI office staff and Board of Directors are willing to provide you with information and support regarding your business and inspection practices and your service to clients. When you call the NAHI office, you will receive personalized, friendly service.

The *Forum* newsletter is published every two months and provides information on the changes and trends in the home inspection industry and features issues which are relevant to you, the home inspector. Articles are provided by professional home inspectors, experts in our industry and our members. We encourage all members to make this your newsletter by sending or faxing us ideas for articles.

NAHI provides **public relations support** and materials to promote your home inspection business. We provide promotional strategies and appropriate materials for you to use. In addition, we work to publicize the home inspection industry to consumers and to related professionals.

The **NAHI Board of Directors and staff** are here to help. If you still have questions, or want further information, please call our office at 800-448-3942 or (612) 928-0993, or e-mail us at [info@nahi.org](mailto:info@nahi.org).

### **Your Membership Brings You:**

**National Referral Service**  
Toll-free number for consumers

**Standards of Practice Guidelines and Code of Ethics**  
Promoting ethical, responsible behavior  
Outlining components of and procedures for a successful home inspection

**Forum Newsletter**  
A newsletter for home inspectors  
Your newsletter features relevant issues and subjects

**Educational Seminars**  
National and Chapter seminars  
Conducted by industry professionals

**Public Relations Support and Materials**  
Brochures and pamphlets  
Marketing tools and tips  
Promotional strategies

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## Upcoming Events

E-mail Information Submissions for this Section: [info@nahi.org](mailto:info@nahi.org)

*Join the*  
**National Association  
of  
Home Inspectors, Inc.**  
*in*  
**Philadelphia, Pennsylvania**  
*on*  
**October 16-17, 1998**

*Look At These Topics!*

***Locating and Diagnosing Water Problems in  
Buildings***

***Roofing Inspections***

***Legal Aspects for Home Inspectors***

***This is not your typical seminar .  
It's a NAHI Educational Event!***

Saturday Seminar  
Registration begins at 8:00 a.m.  
Seminar begins promptly at 8:30 a.m.  
Seminar ends at 6:00 p.m.

Our topics and speakers for the Saturday, October 17, event are:

### **Locating and Diagnosing Water Problems in Buildings**

Do you know how to do this? This presentation by Philip Leach of Protimeter will cover Defining Dampness in the context of buildings, Methods of measurement of dampness and Sources of Dampness, ingress, condensation, rising damp. In addition, he will demonstrate how to diagnose dampness using Protimeter instruments.

### **Roofing Inspections**

Missing a roofing problem could be the most expensive mistake you ever make. Come and learn from an expert in the roofing industry. Mark Graham of the National Roofing Contractors Association will explain specific roofing issues related to asphalt shingles, building codes and other issues of importance during a roofing inspection.

### **Are you Covered?**

Does your pre-inspection agreement cover you in case of an error? What do you need to include in your pre-inspection agreement to educate your clients about the inspection you will be conducting? You have received a letter of complaint. What now? What do you do? What don't you do? Join Attorney James Roach of Vercruyse Metz & Murray as he discusses these and other topics relating to home inspectors..

*Please join us on Friday evening, October 16, prior to the  
seminar for  
Round Table Discussions*

Join the NAHI Board of Directors at 6:30 p.m. on Friday, October 16, 1998, for an Open Forum and Round Table Discussion.

Open Forum - Join the NAHI Board for a discussion of topics of your choosing. (45 minutes in length)

Round Table Discussions (Choose One - 45 minutes):

*Chapters* -- Are you interested in starting a Chapter or reviving a Chapter in your area, this is your chance to meet with individuals who have started chapters in their areas. Find out

**Subject: Home inspector examinations**

**Date: Tue, 12 Oct 1999 11:19:55 -0500**

**From: "ASHI: Noel Zak" <noelz@ashi.com>**

**To: <Janet\_Seitz@legis.state.ak.us>**

Dear Ms. Seitz--

Thanks for your inquiry about our examinations. Over the past 18 months, we have completely revised them and have established an independent Examination Board to manage the National Home Inspector Examination.

I will follow this e-mail with a fax to your attention, explaining the new examination for home inspectors. The examination is available for state agencies to utilize in meeting statutory requirements. YOU will find further information in the fax.

Please contact me when you've reviewed the fax.

Noel Zak

Assistant Executive Director

AMERICAN SOCIETY OF HOME INSPECTORS, INC.<sup>®</sup>  
FAX TRANSMISSION COVER PAGE

OCT 12 1999

DATE: 10/11/99  
TO: JANET SEITZ  
FROM: DOER ZAK  
FAX #: \_\_\_\_\_



*Important: This message is intended only for the use of the individual or entity to which it is addressed. If you have received this communication in error, please notify us immediately by telephone and return the original to us via postal service. Thank you.*

MESSAGE:

PER E-MAIL INQUIRY  
Please call to discuss if needed!  
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This fax has 7 pages, including this cover page.  
Please call 847/759-2820 if any of these pages did not transmit properly.

**MARK YOUR CALENDARS!**

*Inspection '2000, the ASHI/CREIA joint Conference, will be held  
January 16-19, 2000 at the Town & Country Hotel, in San Diego, California*

*ASHI's Information-On-Demand phone system (1-800-743-ASHI) and our website  
(www.ASHI.com) provide 24-hour access to the information you need!*

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6110-698-206

## What Is the National Home Inspector Examination?

The Examination Board of Professional Home Inspectors (EBPHI) contracted with Columbia Assessment Services, Inc. (CAS) to develop an examination to measure competence in home inspectors. The development of a content-valid examination begins with a clear and concise definition of the knowledge, skills, and abilities needed for competent job performance. Using interviews, surveys, observation, and group discussions, CAS worked with experts in the field of home inspection to delineate critical job components. The knowledge and skill bases for the questions in the examination are derived from the practice of the home inspector as outlined in the 1998 Home Inspector Role Delineation Study.

The written examination assembled assesses basic knowledge in the area of home inspection. The examination consists of 200 four-option multiple-choice questions covering 11 major content areas derived through the 1998 Home Inspector Role Delineation Study. Following is a brief outline of those domains.

Structural Components	18 percent of the examination
Exterior	8 percent of the examination
Roofing	11 percent of the examination
Plumbing	9 percent of the examination
Heating	11 percent of the examination
Cooling	6 percent of the examination
Electrical	15 percent of the examination
Insulation & Ventilation	4 percent of the examination
Interiors	5 percent of the examination
Fireplaces & Solid Fuel-Burning Appliances	5 percent of the examination
Professional Practice	8 percent of the examination

## Why Use the National Home Inspector Examination?

### Cost Effective

The development of an examination is a long, complex, and, sometimes expensive, process. By using the National Home Inspector Examination, a state can accrue the benefits of EBPHI's time, money, and research on this important program.

### Based On the Actual Practice Of the Home Inspector

The Examination Board of Professional Home Inspectors' attention to detail and exhaustive 1998 Home Inspector Role Delineation Study ensure the National Home Inspectors Examination covers home inspection job-related knowledge and skills. The examination also assesses competency in areas where lack of knowledge could cause harm to the public.

### Legally Defensible Examination

The National Home Inspector Examination is both valid and reliable, two qualities needed to defend the examination against challenges. Validity means the examination is able to measure that which it is supposed to measure. Reliability is an index of how accurately the examination measures a candidate's skills. A test must be both valid and reliable in order for it to be considered a well-developed examination. As a result of these safeguards, the examination can accurately assess each candidate's competence to carry out the required duties of a home inspector.

### Examination On Demand

For ease in testing, the National Home Inspector Examination, a computer-based examination, is available on demand six days a week at Assessment Services Inc.'s (ASI's) network of more than 185 electronic testing centers located throughout the United States.

## How Was the National Home Inspector Examination Developed?

The Examination Board of Professional Home Inspectors promotes a minimum competency standard for the home inspection profession and serves the public through its quality assurance efforts. The autonomous board believes it is necessary to demonstrate that the individual worker is qualified to perform the required duties of home inspection without threat of harm to the public. Professional examinations have been developed to assess the minimum competency of entry-level workers in a variety of professions.

The Examination Board of Professional Home Inspectors, working with CAS, developed an examination using test methodology based on the American Psychological Association's *Standards for Educational and Psychological Testing*, the Equal Employment Opportunity Commission's *Uniform Guidelines for Employee Selection Procedures*, the National Commission for Certifying Agencies' Standards for Accreditation, and all other applicable standards.

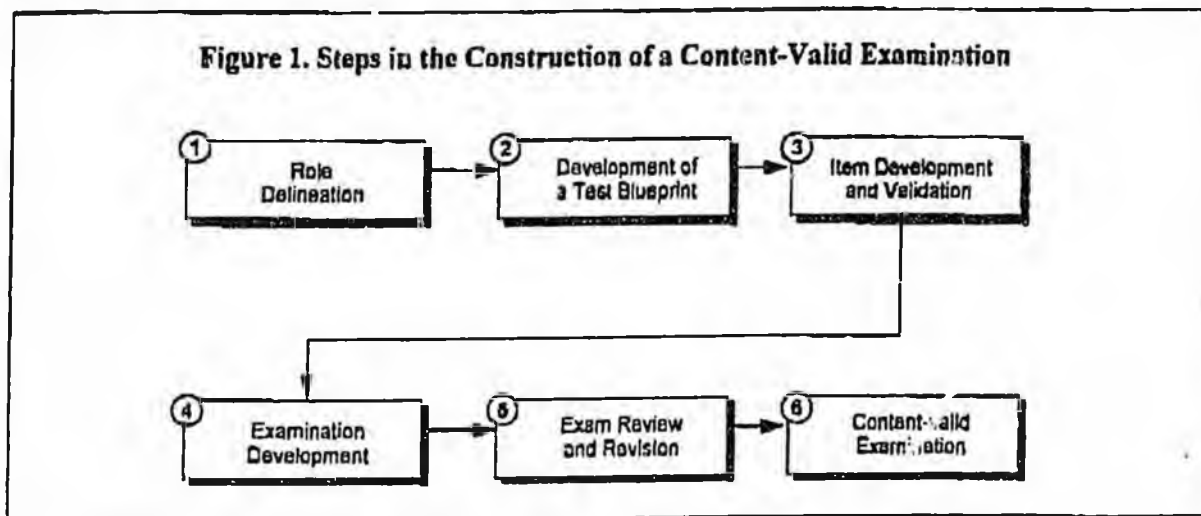
The development of an examination is a long and complex process. It requires rigorous testing of the examination's validity, or the ability of the test to measure that which it is supposed to measure. The validity of an examination involves the demonstration of at least two major qualities. First, the content of the examination must be job related. Second, the examination should cover areas where lack of knowledge could cause harm to the public. These qualities make up some of the defining characteristics of what is called the content validity of the examination.

Another important characteristic in determining the quality of an examination concerns how reliable, or consistent, the examination is. Reliability is an index of how accurately the examination measures the candidate's skills. A test must be both valid and reliable in order for it to be considered a well-developed examination.

### Development Of the National Home Inspector Examination

The written examination assesses basic knowledge in the area of home inspection. The examination consists of 200 four-option multiple-choice questions covering 11 major content areas derived through a Home Inspector Role Delineation Study conducted in 1998.

The ability of the examination to accurately assess entry-level competence is based in large part on its content validity. The process of validating the content of the National Home Inspector Examination involves a rigorous, step-by-step process described below. Figure 1 is a diagram of the steps involved in the content validation process.



### **Role Delineation Study**

Conducted in 1998, a Home Inspector Role Delineation Study allowed subject-matter experts to classify the job characteristics of a home inspector. Then, a validation survey was developed and sent to approximately 800 practicing home inspectors.

### **Development of a Test Blueprint**

Developed in 1998 based on the results of the Home Inspector Role Delineation Study, a Test Blueprint is used as a guide for determining the content of the examination.

### **Item Development & Validation**

Written by a panel of home inspectors who practice in all regions of the United States in 1998, items or questions pertain to the areas of performance outlined in the Test Blueprint. The questions are reviewed and validated by at least three other subject-matter experts. In addition, all items must have at least two verifiable references.

### **Examination Development**

Created by randomly selecting the appropriate number of items from each content area, the examination is reviewed by members of EBPHI. These content experts review the examination to verify the technical accuracy of each item. In essence, each item is evaluated again to verify that it is psychometrically sound, accurate, and content-valid.

### **Examination Review & Revision**

Revised each year, the National Home Inspector Examination continues to be a valid measure of candidates' abilities. All items from previous versions of the examination are carefully reviewed and statistically analyzed. Using the statistical item analysis, the inappropriate or questionable items are either revised or omitted from future examinations.

### **Reliability Of the National Home Inspection Examination**

In addition to content validity, an examination also must demonstrate that it is highly reliable, or consistent, in its measurement of entry-level performance. Theoretically, if the test is reliable, an examinee should be able to obtain the same or similar score at two different testing times. Most statistical calculations of reliability estimates range from 0 to 1, with 1 indicating perfect reliability. Coefficients above .70 meet minimum standards. A high reliability estimate for an examination, like that of the National Home Inspector Examination, is generally considered by most authorities to be .80 or above.

One measure of reliability that is used in the National Home Inspector Examination is called Kuder-Richardson Formula 20 (KR-20), which is a measure of the internal consistency of the test. Internal consistency indicates the degree to which all of the questions on the examination measure common "characteristics" of the candidates. In other words, it provides us with an indication of the homogeneity of the examination, or the ability of the test to measure a single content area. The better the examination is in measuring this single content area, the higher the reliability.

The examination's internal consistency reliability, standard error of measurement, decision consistency reliability, and cut-score reliability are closely monitored by EBPHI.

### **Determination Of the Passing Standard**

Finally, a high-quality examination must have a defensible passing score. That is, the cut-off score that separates examinees who pass from examinees who fail is determined in a systematic and reasonable way, rather than arbitrarily. There are several ways to set passing points. The method used by EBPHI for its examination is a criterion-referenced approach called the Modified Angoff Technique.

This technique is currently considered by the testing profession to be one of the most defensible criterion-referenced methods available for setting passing points. It relies on the pooled judgments of content experts. A group of experts is asked to judge each item on the test. The criterion used to judge each item is formed in a

question: "What is the probability that a 'minimally acceptable' candidate *will* answer this item correctly?" This question prompts the judges to consider a group of minimally acceptable candidates and what proportion of that group will answer each item correctly.

The averages of the proportions, or probabilities, are multiplied by the total number of questions on the test. The result then represents the "minimally acceptable" score. The final passing score for the examination, determined by EBPHI, is based on this pooled judgment.

### **Summary and Conclusions**

The procedures used to develop the National Home Inspector Examination are well accepted for developing reliable and content-valid examinations. Each step in the test construction process is carefully documented. Multiple reviews by content and psychometric experts and the use of stringent criteria assure the validity of the test. Continuous evaluation of each examination's reliability maintains the consistency of the test to measure examinees' skills accurately. As a result of all these safeguards, the examination can be considered valid and reliable with a sound method for determining passing points. These procedures greatly enhance EBPHI's ability to accurately assess each candidate's competence to carry out the required duties of a home inspector.

### **Where Is the National Home Inspector Examination Available?**

The computer-based examination, administered by ASI, is available on demand six days a week at ASI's network of more than 185 electronic testing centers located throughout the United States. Candidates can schedule their testing by contacting the ASI Call Center. A candidate can retake the examination 30 days after his or her last examination.

### **How Can I Learn More About the National Home Inspector Examination?**

For more information on the National Home Inspector Examination, contact the administrator for the Examination Board of Professional Home Inspectors at (847) 759-2820.

### **What Is the Examination Board Of Professional Home Inspectors?**

The Examination Board of Professional Home Inspectors (EBPHI) is an independent examination organization whose objective is to promote excellence and exemplary practice within the home inspection profession and to serve the public through its quality assurance efforts. The organization, formed in 1999, offers the National Home Inspector Examination, a content-valid examination for use at the state level.

The Examination Board of Professional Home Inspectors was established with support from the American Society of Home Inspectors (ASHI). However, EBPHI operates as an autonomous, incorporated board in its objective of public protection and acts independent from ASHI in its decision making.

### **What Is the American Society Of Home Inspectors?**

The American Society of Home Inspectors (ASHI) is the largest national professional organization of home inspectors with members throughout the United States and Canada. The society was formed in 1976 as a not-for-profit organization to build public awareness of home inspection and to enhance the technical and professional performance of home inspectors. It is the oldest and most respected professional association of home inspectors in North America, representing its membership and the profession as a whole in areas of education, marketing, and communications.

The American Society of Home Inspectors, like other professional organizations, has been involved in establishing guidelines for the level of performance of its members for many years. The society recognized the

need for a national home inspector examination and encouraged the development of an autonomous board to serve and protect public interests. For more information, call (847) 759-2820.

### **What Is Columbia Assessment Services Inc.?**

A full-service testing company, Columbia Assessment Services Inc. (CAS) has providing licensure, certification, and education and industrial test services to corporations, trade and professional associations, state and local government agencies, and other organizations across the globe for more than a decade. The company conducted the validation studies for the national home inspector examination and continues to provide psychometric leadership for the examination.

### **What Is Assessment Services Inc.?**

Assessment Services Inc. (ASI), a Harcourt company, was founded in 1981, and is a leading provider of assessment services to state regulatory agencies and national associations. A pioneer in computer-based testing, ASI continues to aggressively expand its network of electronic testing centers, which has now reached more than 185 proprietary sites.

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FEB-18-00 FRI 15:21

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# Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce Comm. Hse  
committee name

Committee on HB 207 License Home Inspectors dated 18 Feb 00  
bill # / subject

*Testimony Attached 2 - PAGES*

Signed: *M. Tauriainen*  
Testifier

*Self*  
Representing (optional)

*35186 Spur Hwy*  
Address

*262-4624*  
Phone number