

Email to: Members of the NC Senate Finance Committee and interested members of the NC Assembly, general public and media.

Special to the Kenly News

By: George J. Gioiella - (joy-ella) Independent Investigative Journalist

Please accept apology if anyone found [the](#) wordsmithery in recent columns upsetting – just ribaldry to get your attention, which seems to be difficult. I believe after reading this entire column your attention will be riveted. Coming before your committee Wednesday May 27, 2009 is SB 1007; Amend Home Inspection Licensure Laws. With the power of the Internet know that you will be held accountable for your vote, you need to be aware of the origins and consequences of SB1007 = HR979 and how an affirmative vote on your part may affect your political future. Realizing how complicated this legislation may be to a lay person, taking into consideration political influence peddling and your time constraints I will focus on the major problems with SB 1007.

SB 1007 is seriously flawed in its origin in that it completely bypassed the duly legislated and appointed, (by the NC Assembly and Governor), North Carolina Home Inspector Licensure Board. The NCHILB proposed a mandatory pre-licensing education bill to the NCDOI, nothing more, nothing less. It seems that under political pressure from corporate special interest groups the DOI refused to introduce or support the bill form their own home inspection licensing board. An email from this journalist to the NCDOI legislative Liaison seeking an explanation was ignored.

The political posturing of the NC DOI opened the door for the realtors and home builders, whose public position is that the home inspection industry, *because they are a part of the transaction and therefore need to facilitate the real estate sale; hence need to be under the control of the realtors and home builders*, to approach state organizations that represent a minority of the home inspectors, and as this reporter understands it NC-ASHI has only fifty members of the fifteen hundred active home inspectors, NCLHA has less than 400 and dwindling; also note that [Inter-NACHI](#) the **International Society of Home Inspectors** the second most powerful state organization was not a party to these negotiations and is opposed to SB1007.

With the aid of several rogue home inspectors who do not represent anyone but their own personal and organizational interests, with a membership base of less than one third of the home inspectors in North Carolina and with their strong ties to the corporate special interests, SB 1007 is proposed and written by the realtors, home builders in conjunction with rogue inspectors. Once again the foxes are guarding the chicken house; how nice!

A brief review some of the content and consequences of SB1007 reveals that general contractors will be exempt from mandatory pre-licensing and the requirement that a licensed home inspector have a high school diploma is removed from the current law. This legislation the permits and encourages home inspectors, if they so desire to quote specific building codes. For years realtors have intimidated new home inspectors by their specious argument that, 'at the time the home was built code did not require smoke alarms or ground fault circuit interrupters, so please remove it from the report' then the wink, which means if you do not, no more referrals from this office. It seems to me if something is objectively a health and safety hazard when it became law is a moot point, it always was and is objectively dangerous, that is it is not subject to when it became law.

As for the insurance aspects, realtors have been attempting to transfer liability to home inspectors since day one. Several years ago realtor Alan Tate sent a letter to all inspectors stating, 'if you wish to work for Alan Tate & Co. you need to provide proof of E & O insurance'. The inspectors response, except for those in bed with the realtors, (like former NCHILB member and state employee Jim Liles), and/or receiving some form of compensation from them, was a resounding no, we work for our clients, not Alan Tate & Co. Having followed this process for many years to me the solution is simple but perhaps too direct for realtors and home builders.

Liability resides in the operation, both realtors and home inspectors are exposed to liability as is everyone that operates a business, however if realtors disclosed all they know about a property and completely forthright in their dealings and home inspectors hands are untied to do the same then the responsibility resides with the homebuyer to make an informed decision and there would be little or no recourse to either the realtor or home inspector.

The inclusion of fifty hours of additional education for existing inspectors was initiated by NC-ASHI and the North Carolina Licensed Home Inspector Association. It was never mentioned at NCHILB Board meetings or Board Committee meetings and is not included in their proposed pre-licensing education bill. The position of these organizations is that pre-licensing education is so important and the corporate special interests so powerful that we need to get in bed with them. This raises the question, why would these organizations sell their souls? What are they afraid of and why? Is their fear real or perceived, are they men or wimps?

My understanding is because they are broke and membership is on the decline they justify their intellectual dishonesty. Their plan is to provide the fifty hours of post licensing education themselves and offer a free membership to new members. The math is simple, the average continuing education hour costs \$20.00 + you do the math, 1500 active inspectors x \$1,000.00 each and their motives become clear.

I have no idea what else is in it, or has been promised for the support of these rogues. Also, as I understand it for the most part they participated in the negotiations with the realtors and home builders without the knowledge of most of their members. One chapter president of NCHLIA resigned in protest, many others are completely disgusted with these shenanigans.

There is no question that the lack of mandatory pre-licensing education for prospective home inspectors is of paramount importance, but SB1007 with its negative implications is not the answer. The simple legislation to address mandatory pre-licensing education put together by the NCHILB is the answer.

Part of the defense offered by the state organizations for creating and supporting this legislation is because, in their view, the licensing board has been ineffective and not moved forward. Gee, I wonder why? A review of the voting record of Board members for the four years Jim Liles, the realtors shill, sat on the Board will show that the realtors and home builders stacked the Board with, Chris Noles PE, the Insurance Commissioner's Designee, TA Jones, Sen. Basnight appointee, former Governor Easley's appointee Jim Liles, (Liles was not reappointed to the Board), realtor John Hamrick and builder T. Larry Summer voted in concert and collusion to promote the corporate special interests and in general preclude the Board from moving forward unless it was the corporate special interests agenda.

Under the current NCHILB rules and because the realtors interests on the Board have been opposed to clarifying this matter there is nothing that precludes an inspector from performing repairs on a property they have inspected. Stack the inspector roster with untrained general contractors and it becomes rife for a rip off of the public.

As for the change removing 'Adversely affects the habitability of the dwelling' and other changes to the Summary Section, this criteria has been around since the inception of the Federal Housing Administration's first hand book published in 1942.

The proposed changes to the Summary Section are unprecedented in the home inspection industry and have national implications. In general this legislation will increase the cost of a home inspection, reduce the quality of the inspection process, not *provide the public with a better understanding of the condition of the property at the time of the inspection* and contradict the existing licensing law.

Let's not forget, for the licensing board to make changes will require, not a rules change, but a legislative change – two years in the making. The primary beneficiaries will be the corporate special interests and the public gets the short end of the stick. Additionally the personnel and administrative cost to administer these changes at the licensing board is, pointless, prohibitive and needless in this economic decline.

As my wise father used to say, who by the way worked at the NY Daily News for fifty years, the last twenty-five as Publication Manager, “no need to beat a dead horse”, if you folks do not get it by now you may never, but I believe the consequences of voting for SB1007 will cause you to ‘get it’ - see the light. It seems to me this entire matter gives new meaning to ‘Transparency in Government’; the transparency is deafening.

The North Carolina Home Inspector Licensure Board has the power to initiate an investigation. A review of the Board's Code of Ethics and Standards of Practice indicates that the inspectors involved in the usurpation of the authority of the Board needs to be fully investigated. I urge the NCHILB to initiate an investigation into the violations by these home inspectors. It seems they have grossly misled the public and their members, engaged in acts or practices that violate the licensing law and aided, abetted, or assisted persons in violation of provisions the licensing law.

Please know that this independent investigative journalist has forwarded documentary evidence to the appropriate federal agencies that implicates elected officials in completely unethical behavior. Particularly, and besides the elected officials involved, in question is the conduct of the North Carolina Commissioner of Insurance, Wayne Goodwin in this matter.

For more background information: http://www.guardresinc.com/files/eletter/george_j.htm

Your influence counts – use it wisely and for the greater good!

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