

Friday, June 26, 2009

Re: SB1007-HR979 Amend Home Inspection Licensure Laws

Dear Representative (s) Gibson, Tillis and Madame Chairperson of the Commerce, Small Business, and Entrepreneurship House Standing Committee, Ms. Dickson,

Cc: Governor Purdue and Members and members of the North Carolina Home Inspector Licensure Board; Speaker of the House Joe Hackney

By way of introduction my name is George J. Gioiella - (joy-ella). I am an independent investigative journalist and OP/ED writer. A North Carolina licensed home inspector since 1998. Until 2007, besides developing and teaching continuing education courses for home inspector license renewal I participated in many Board committee meetings and write extensively about problems in the home inspection industry. I am semi-retired. Some of you may have heard bad things about me. Please know they are all true!

SB1007-HR979 is fundamentally flawed not only in its genesis, but also its intent and content; this is to say that the licensing board is the duly legislated and appointed body to govern and administrate matters pertaining to home inspection and SB1007-HR979 does nothing but serve corporate special interests.

§ 143-151.43. Short title.

This Article is the Home Inspector Licensure Act and may be cited by that name.

§ 143-151.44. Purpose.

This Article safeguards the public health, safety, and welfare and protects the public from being harmed by unqualified persons by regulating the use of the title "Licensed Home Inspector" and by providing for the licensure and regulation of those who perform home inspections for compensation.

§ 143-151.49. Powers and responsibilities of Board.

(a) General. - The Board has the power to do all of the following:

- (1) Determine the qualifications and fitness of applicants for a new or renewed license.
- (2) Adopt and publish a code of ethics and standard of practice for persons licensed under this Article.
- (3) Issue, renew, deny, revoke, and suspend licenses under this Article.
- (4) Conduct investigations, subpoena individuals and records, and do all other things necessary and proper to discipline persons licensed under this Article and to enforce this Article.
- (5) Employ professional, clerical, investigative, or special personnel necessary to carry out the provisions of this Article.
- (6) Purchase or rent office space, equipment, and supplies necessary to carry out the provisions of this Article.
- (7) Adopt a seal by which it shall authenticate its proceedings, official records, and licenses.
- (8) Conduct administrative hearings in accordance with Article 3A of Chapter 150B of the General Statutes.
- (9) Establish fees as allowed by this Article.
- (10) Publish and make available upon request the licensure standards prescribed under this Article and all rules adopted by the Board.
- (11) Request and receive the assistance of State educational institutions or other State agencies.
- (12) Establish continuing education requirements for persons licensed under this Article.
- (13) Adopt rules necessary to implement this Article.

(b) Exam. - In developing a licensing examination to determine the knowledge of an applicant, the Board must emphasize knowledge gained through experience.

How does it come about that corporate and organizational, (*NC-American Society of Home Inspectors and the North Carolina Licensed Home Inspector Association, both of which are flat broke and represent less than one-third of the NC home inspectors, NC-ASHI has only fifty members*), special interests develop legislation that completely bypasses the home inspector licensing board? To what end and why? How is it that the Home Builders, Realtors and Commissioner of the Department of Insurance can do the following with impunity? Does the opportunity to do something legally make it ethically or morally acceptable?

Excerpted from a nine (9) page memo prepared by NC-ASHI member
Bruce Rudd **MEMO DATE:** **05-15-09** .

TO: NC-ASHI Board of Directors

FROM: Bruce Rudd, NCAR Liaison

**SUBJECT: SUMMARY REPORT, RE:
Home Inspection Legislative Initiative (S.B. 1007)**

HISTORY

“On 02-05-09 Rick Zechini, Director of Governmental Affairs-NCAR, approached us and the NCLHIA through our respective lobbyists to request a meeting of all parties to discuss language that the NCAR wanted to see added to the H.I. Statutes. He had also invited Lisa Martin, NCHBA Representative, and encouraged all parties to bring any proposals that they may have as well.

The original draft proposal for the first meeting written entirely by NCAR firmly closed the G.C. back door, clearly indicating that they wanted it closed as did we. Lisa Martin of NCHBA was in attendance for what turned out to be the sole purpose of informing the group that if proposed legislation went forward with language closing the G.C. back door, then it would be quickly killed by the NCHBA. After her statement and with little discussion she left the meeting. Within one hour of her departure the proposed legislation crafted by the Licensing Board, which also closed the G.C. back door, died at the Department of Insurance. Was that a coincidence? – We didn’t think so.”

In fact the Department of Insurance never, and it is their responsibility, introduced the mandatory pre-licensing education legislation prepared by the licensing board. Putting the above two paragraphs together have we a conflict of interest, some presumption along with a healthy dose of arrogance and a total disregard for the interests of the home-buying public?

Defenders of this legislation refer to many reasons why this legislation is important; all of which point to promoting their own agenda, which clearly is contradictory not only to the intent of the licensing law but the spirit. SB1007-HR979 does nothing to further protect the safety and welfare of the public, 'the public' used in the context of the existing law means the homebuyer and/or consumer – not corporate special interests.

Trust being the fundamental ingredient of any relationship it seems merely the introduction of SB1007-HR979 outside of the legitimate process undermines the public's trust of the home inspection process; that is the need for home inspections to remain objective, unbiased and free of political influence. If not, home inspectors may as well reside in the House of the Rising Sun with the realtors, homebuilders, appraisers and sub-prime lenders and everyone involved in the real estate transaction will be able to service the public in concert.

It is common knowledge that the realtors and home builders have sought to control the home inspector licensing board. As far back as 2004 board member and realtor John Hamrick on behalf of the realtors promoted their agenda for a standardized report.

When a committee was formed to explore a standardized report Hamrick appointed attorney and lobbyist Rick Zechini to provide oversight. (Talk about nerve and the foxes guarding the chicken house) With the appointment of home inspector/realtor/state employee Jim Liles, the cooperation of Chris Noles PE the Insurance Commissioner's designee and board member T. Larry Summer the home builder the realtors and homebuilders until 2008, when Liles was not reappointed, effectively controlled the licensing board. Let's not forget current Board member, the sterling independent thinker, Wm. Talmadge Jones appointed by Sen. Basnight has also in the past been pro-realtor.

Senator Hoyle's 2007 legislation on behalf of the realtors was along the same lines and it was exposed for the fraud it perpetrated, opposed and soundly rejected by the home inspectors and died, but it tied up the Board for two years. Where are those home inspectors now? Until recently they were kept in the dark by their associations and had no idea what was occurring behind their backs.

The technical flaws in the verbiage of this legislation, the failure of the composers to adequately assess the short and long term consequences coupled with the previously articulated overview are reason enough to let SB1007-HR979 die the swift death it so justly deserves.

These matters need to be returned to where they rightfully belong – with the North Carolina Home Inspector Licensure Board, nothing less will satisfactorily resolve SB1007- HR979. It seems to me no other action is acceptable or justifiable. Unless of course you can somehow respond to the objections and supporting facts provided herein and satisfactorily explain why to the folks you work for - the people of North Carolina.

In these times of rampant political corruption where will you stand, how will you be judged in this matter? I do not suggest lecturing you, but when faced with difficult

decisions reflecting on the following thoughts seem to clear the path for me and I hope they will for you.

“Fine words can never replace good deeds. Our character is revealed in the choices we make, especially when we must choose between what is true and false, good and evil. Do you lie, or cover-up, when disclosing the truth will cause you pain or embarrassment? A true person is honest and reliable before God, neighbor, and oneself. Such a person's word can be taken as trustworthy”. (c) 2009 Don Schwager

“Adversity does not make or break us; it reveals what we already are” Thomas ‘a Kempis

‘Ultimately you, I and everyone else is a means to an end, which is to make decisions and choices for the greater good of humanity, not an end in ourselves. That privilege, if I may remind you is reserved for God’. Michael John Gioiella 1941-1969

Thank you for your time and attention.

Respectfully,

George J. Gioiella
Kenly, NC

For more detailed information and background on this subject please visit:

http://www.guardresinc.com/files/eletter/george_j.htm