



Selecting a Home Inspector in a Weakly Regulated Industry

In June of 2006, the American Society of Home Inspectors (ASHI) Legislative Committee evaluated the existing laws of the 31 states that regulate the home inspection profession. Because programs vary significantly from state to state, a detailed set of criteria was used to review each state's regulation and to determine the positive elements of state regulatory legislation as well as areas that may need improvement.

State ratings were based upon a multi-criteria system. States received points according to the weight or importance ASHI places on different regulation standards. Several of the most important criteria include experience, education, testing requirements, standards of practice and code of ethics, among others. The detailed evaluation criteria are shown on the back of this sheet.

California ranked 31 out of 31 States evaluated. What few regulations California does have were found by ASHI to be largely unenforceable.

There are some indications that California will introduce a Home Inspector licensing bill in the fairly near future. Once there is a licensing system, the consumer will be able to hire a licensed inspector, until that time there are a number of other criteria the consumer can use when evaluating the qualification of home inspectors in this weakly regulated industry.

Some Recommendations for Selecting a Home Inspector

- Select an inspector who is a member of a professional trade organization such as ASHI or the California Real Estate Inspection Association (CREIA). An inspector member of CREIA is required to have proven technical knowledge of systems in residential properties. CREIA Inspectors must adhere to the Code of Ethics and follow the Standards of Practice developed by the association. CREIA requires its members to successfully pass a written test of property systems and complete 30 hours of education each year. CREIA membership standards currently meet or exceed many State home inspector licensing requirements.
- Select an inspector who has formal home inspection training. Some home inspectors rely solely on past construction experience and are not properly trained in all aspects of the home and it's systems, or in the evaluation of existing and older buildings.
- Select home inspectors who will stand behind their work and are covered by proper liability and professional insurance. Errors and Omissions ("E&O") insurance protects the home inspector and you against disputes arising from any oversights made by the inspector.
- Select a home inspector with formal building code certifications. Although code certification is not a professional requirement for home inspectors, some inspectors acquire code credentials to increase their knowledge of potential building defects. These are the same types of certifications that municipal inspectors are required to have.
- A professional inspector will usually want the buyer to be present during the inspection to familiarize them with the home's systems and point out specific conditions outlined in the report.
- Ask the inspector for a sample of past inspection reports. Most professional inspectors provide a detailed report that offers a comprehensive explanation of the home's condition as well as recommendations and upgrade suggestions.
- Do not let price be a determining factor in selecting a home inspector. Remember, you usually pay for what you get. Depending on the size of the home among other factors, a professional inspection can range from \$300 to over \$500 and take three or more hours for a single family home.
- Be wary of home inspectors who offer to repair items outlined in their report. This is an obvious conflict of interest; they may not offer an objective opinion and it is in violation of California's Business & Professions Code (Chapter 9.3, Section 7197(a)).

Following are the ASHI 2006 rankings of State regulations governing the home inspection industry:

1. Louisiana
2. New Jersey/Texas
4. Arizona
5. Massachusetts
6. Connecticut/North Carolina
8. Arkansas
9. Indiana
10. Rhode Island/West Virginia
12. South Dakota/Tennessee
14. Mississippi
15. Virginia
16. Wisconsin
17. Oklahoma
18. Kentucky
19. Alaska/Illinois
21. Alabama/Oregon
23. Maryland
24. New York
25. Nevada
26. Pennsylvania
27. South Carolina
28. Montana
29. North Dakota
30. Georgia
- 31. California**

Note: Rankings are based upon the overall grading of states with existing laws regulating home inspectors where "1" indicates the best ranking and "31" indicates the poorest ranking.

Rating Criteria/Provisions of a Law

EDUCATION

Does the regulation include education of no less than 80 hours?
Does the education include all of the components reflected in the developed body of knowledge? **5 points**

EXPERIENCE

Does the regulation include a minimum of 25 to 100 training inspections?
Does any grandfathering provision include a minimum of 250 fee-paid inspections? **5 points**

EXAMINATION

Is an examination required?
Is a psychometrically valid exam required?
Does the regulation require everyone to pass the exam? **5 points**

STANDARDS OF PRACTICE

Are the Standards substantially consistent with ASHI's?
Does the regulation describe what must be inspected?
Does the regulation describe what does NOT need to be inspected? **5 points**

PROHIBITED ACTS

Is the Code of Ethics substantially consistent with ASHI's? **5 points**

DEFINITION OF HOME INSPECTOR AND DEFINITION OF HOME INSPECTION

Does the regulation reflect ASHI's definition of the profession and the professional? **3 points**

GOVERNING BOARD

Who is on the Board? Home inspectors and consumers, or others?
What is the Board's relationship to other Board's regulating professions?
(Is the Home Inspector Board an offshoot of the Builders or Real Estate Board?) **3 points**

CONTINUING EDUCATION REQUIREMENT

Is continuing education required?
Is the requirement no fewer than 20 hours annually? **3 points**

LIABILITY

Does the regulation have reasonable protections for the consumer and the home inspector? **3 points**

EXEMPTIONS

Do exemptions only apply to individuals practicing their profession? **1 point**

REPORTING REQUIREMENTS

Is a written report required? **1 point**

RECIPROCITY

Does the regulation allow those licensed in other states to practice? **1 point**

PENALTIES

Are the penalties reasonable?
Do the penalties in this regulation match those for other related professions? **1 point**

Note: According to the ranking criteria, the highest possible score is 123 points.

ASHI 2006 Grading of Existing State Laws Regulating Home Inspectors

	Education	Experience	Examination	Standards of Practice	Prohibited Acts	Definitions	Governing Board	Continuing Education	Liability	Exemptions	Reporting Requirements	Reciprocity	Penalties	Total
Louisiana	15	5	15	15	15	9	9	9	9	3	3	3	3	113
New Jersey	15	5	15	15	15	9	6	9	9	3	3	3	3	110
Texas	15	15	15	15	15	9	3	3	9	3	3	2	3	110
Arizona	15	15	15	15	15	9	6	0	6	3	3	2	3	107
Massachusetts	0	15	15	15	15	9	9	3	9	3	3	3	3	102
Connecticut	5	15	10	15	15	9	6	9	0	3	3	3	3	96
North Carolina	0	15	15	15	15	9	6	3	6	3	3	3	3	96
Arkansas	15	0	15	15	15	9	9	3	3	3	3	2	3	95
Indiana	5	5	15	15	15	9	9	3	6	3	3	3	3	94
Rhode Island	0	15	15	15	15	9	3	3	6	3	3	3	3	93
West Virginia	10	5	15	15	15	9	0	6	6	3	3	3	3	93
South Dakota	5	10	15	15	15	9	3	3	0	3	3	3	3	87
Tennessee	15	0	15	15	15	9	6	3	3	0	3	0	3	87
Mississippi	5	0	15	15	15	9	3	3	9	3	3	3	3	86
Virginia	5	15	15	5	15	9	3	0	3	3	3	3	3	82
Wisconsin	0	0	15	15	15	9	0	9	3	3	3	3	3	78
Oklahoma	5	0	15	15	15	9	6	3	0	3	3	0	3	77
Kentucky	5	5	10	15	0	9	6	3	9	3	3	3	3	74
Alaska	0	0	10	15	15	9	3	3	6	3	3	0	3	70
Illinois	5	5	15	5	10	9	6	3	0	3	3	3	3	70
Alabama	0	0	15	15	15	9	3	0	6	0	3	0	3	69
Oregon	5	5	5	15	15	9	3	3	0	3	3	0	3	69
Maryland	5	0	0	15	15	9	3	0	9	3	3	3	3	68
New York	10	5	5	*	15	9	6	*	6	1	3	3	3	66
Nevada	5	0	10	5	15	6	3	3	6	3	3	0	2	61
Pennsylvania	0	**	5	5	10	9	0	6	9	3	3	0	2	52
South Carolina	0	0	5	0	5	0	9	0	0	3	3	0	3	28
Montana	0	0	0		10	9	0	0	0	3	3	0	1	26
North Dakota	0	0	5	0	0	9	3	0	3	3	0	0	1	24
Georgia	0	0	0	0	0	9	0	0	0	0	3	0	0	12
California	0	0	0	0	**	**	0	0	3	3	3	0	0	9

* Used in lieu of a rating for legislation that refers to rules/regulations that are pending.

** Used to indicate a criterion/provision is unenforceable.