



From the desk of...

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A Bad Day for NC Homebuyers!

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First in a series on the state of the Home Inspection Industry in North Carolina

The terrorist hijacking of the North Carolina Home Inspector Licensure Board by realtor interests continues and reaches a new low in mediocrity. Led by North Carolina Home Inspector Licensure Board Members James Liles, a Home Inspector appointed to the Board by Governor Easley and full time state employee with political aspirations, John Hamrick the realtor appointed to the Board along with T. Wm. Talmadge Jones, from Manteo, NC appointed by Senator Marc Basnight, President Pro Tempore of the NC Senate and Chris Noles PE the representative from the NCDOI appointed by Commissioner Jim Long and T. Larry Summer the Licensed General Contractor appointed by the Governor once again practice subreption to win their war to facilitate residential real estate sales and in the process disregard adequately protecting the public.

With a 5-2 majority Liles & Co. have railroaded rules changes that can only benefit realtors and place the public in harms way. Of interest is that there exists an active NC Realtors License number 60311 in the name of James M. Liles Jr. with the same Raleigh address as Mr. Liles. Have we a conflict of interest here or a serious ethics violation? The Licensing law says there should be only one realtor appointed to the Home Inspector Licensure Board.

Subreption: subreption definition n. 1. A calculated misrepresentation through concealment of the facts. 2. An inference drawn from such a misrepresentation. subreption etymology [Late Latin subrepti, subreptin-, from Latin, theft, from subreptus, past participle of surripere, subripere, to take away secretly; see surreptitious.]

The current proposed rule change:

11 NCAC 8.1119 IS PROPOSED FOR ADOPTION AS FOLLOWS:

11 NCAC 8.1119 STANDARD REPORT FORMAT

(b) All written reports for home inspections of three or more systems shall include a separate section entitled, "Summary," which shall follow the cover page.

(c) The summary shall include any system or component that does not function as intended and is in need of repair or warrants further investigation by a specialist. The summary shall not contain any recommendation for routine upkeep of a system or component to keep it in proper functioning condition or contain any recommendation to upgrade or enhance the function, efficiency, or safety of the home. As used in the summary, "repair" refers to a system or component that is not functioning as intended and is in need of repair or replacement; and "investigate" refers to a system or component that needs additional investigation by a specialist to determine if repairs are needed. The Summary shall contain the following statement: "This summary is not the entire report. The complete report may include additional property information and safety concerns of interest to the client. It is recommended that the client read the complete report."

Traditionally most realtors focus only on the Summary Section which was created for them in 1998 to closely align with their contract to purchase, which is not the law of the land as the NC Statutes governing Home Inspection is.

Why is this rule change problematic and detrimental to North Carolina Home-Buyers? Because a key condition for inclusion in the proposed Summary Section is deleted from this proposal: 'Adversely affects the habitability of the dwelling'. The word 'safety' which was removed by a vote of the Board last year is added back in. The licensing law states, 'protect the safety and welfare of the public' and in the Standards other than in definitions the only place it is going to be mentioned is in the above change, which does not allow the home inspector to include safety items in the Summary Section. It changes the intent of the original law, protects the property not the public and benefits only the realtors in facilitating a sale.

Here are some examples of items that a Home Inspector will not be able to include in the Summary Section; a home built prior to the state standardization of building codes in 1958 or a much older home does not have a handrail, smoke alarm, ground fault interrupt protection or where there is no address visible from the street so EMS, Fire and Police can quickly respond to an emergency. Despite what Liles & Co. may tell the media – read their proposed rules change - it limits free speech – these and many other safety concerns cannot be included in the Summary. Again why, because the item is not present and therefore cannot be in need of repair or further investigation and functionality cannot be determined.

Mr. Liles and Mr. Hamrick have repeatedly misled that is practiced subreption with the media by focusing on 'safety' and other items, "It tries to get as much opinion out of it as we can," said James Liles. 'Liles says the board voted to change the rules to make sure inspectors stick to the facts'. "It (the report) should give whoever, whether it's the buyer or seller, a picture in time – what that house looks like, what needs to be repaired and what safety concerns there are of a factual nature," Mr. Liles, what kind of political hogwash and doublespeak is this? 'The Board voted', you mean the Board that you and the realtor's interests hijacked and currently control don't you? Mr Liles and Co. read the

law, a Home Inspector is supposed to provide opinions.

.1116 CODE OF ETHICS

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

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

And also **.1103 PURPOSE AND SCOPE**

(a) Home inspections performed according to this Section shall provide the client with a better understanding of the property conditions, as inspected at the time of the home inspection.

(c) This Section does not limit home inspectors from:

(1) Reporting observations and conditions or rendering opinions of items in addition to those required in Paragraph (b) of this Rule;

How can Liles & Co. consider contradicting the law or violating the free speech of Home Inspectors by limiting the Summary Section? How can they limit or take away the Boards stated position the ‘the client has a right to know’ and relegate it to the tedium of the Body of the Report and out of the real estate transaction negotiation process? To my mind it is akin to the matchmaker not letting you meet your prospective bride in person prior to marriage!

Here is what North Carolina Home Inspector Licensure Board member and practicing Home Inspector David Jones has to say:

“What people need to know about Mr. Liles is that although he is on the licensing board as a home inspector, he is not currently a home inspector, and has not been one for several years. He is a state employee in a department that has nothing to do with home inspections, and his appointment was very political. He replaced a very competent home inspector, after informing that inspector that his re-appointment was a shoo-in, while working behind the scenes to get himself appointed. His actions since being appointed have not been in the best interests of the home buying public or home inspectors. This has tipped the board away from a balanced organization to one that is acting contrary to the interests of home inspectors and the public...” Davidjones October 10, 2007 5:11 p.m.

Are the realtors behind this? Of course, in 2005 when Liles and Co. bypassed the Rules Committee and pushed through the Standardized Report Mr. Hamrick appointed Rick Zechini, Attorney for the NC Association of Realtors to provide oversight for the project. It is public record and in the minutes of the meeting. Talk about placing the fox in the chicken house!

Governor Easley and Senator Basnight, Liles & Co. have brought the Home Inspection industry they are supposed to look after into disrepute and severely damaged its credibility. You placed these foxes in the chicken house and it is you who are ultimately

responsible. Only you can make things right by immediately rescinding their appointments and get this Board back on track to protecting the public.

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