

**MINUTES: ORGANIZATIONAL MEETING**  
**New ASTM International Activity on Residential Home Inspection**  
**Riviera Hotel & Casino**  
**Las Vegas, NV**  
**February 19, 2007**

1. CALL TO ORDER

The meeting was called to order at 8:55 a.m. by Pat Picariello, Director, Developmental Operations, ASTM International.

2. WELCOME AND SELF-INTRODUCTIONS OF ATTENDEES

Pat Picariello welcomed the attendees and initiated self-introductions. A list of attendees is included in a separate attachment (Note that the list contains names and organizations only when provided).

3. OBJECTIVES OF MEETING

The objectives of this organizational meeting were to:

1. Bring together individuals, companies, & organizations representative of this industry to determine the best future course of action regarding standards development.
2. Discuss any concerns raised by the attendees regarding the need for and development of standards in the residential home inspection sector.
3. Identify the extent of any existing standardization program(s), and discuss relevance of the work product.
4. Identify additional stakeholders (not physically present at the meeting) to ensure that (if Objective 5 below is met) a thorough outreach effort can be undertaken.
5. Secure from meeting attendees (via vote - simple majority) a commitment to proceed to a final organizational meeting (3-6 months in the future) to be held at a site both neutral to and unaffiliated with any industry stakeholder (with the exception of the US Department of Housing and Urban Development).

4. OVERVIEW OF ASTM AND THE STANDARDS DEVELOPMENT PROCESS

Pat Picariello presented an overview of the ASTM organization and committee operations, which is summarized in the following paragraphs. The full presentation will not accompany these minutes due to file size - if you'd like a copy, please advise Pat Picariello ([ppicarie@astm.org](mailto:ppicarie@astm.org)).

ASTM, a not-for-profit corporation organized in 1898, is a management system for the development of standards and related technical information for materials, products, systems, and services. It provides a legal, administrative, and publications forum within which producers, users, ultimate consumers, and representatives of government and academia can meet on a common ground to develop standards that best meet the needs of all concerned.

ASTM's technical committee structure is made up of main committees, subcommittees, and task groups. The task groups initiate draft standards, which sub and main committees ballot

following the consensus procedures described in the Regulations Governing ASTM Technical Committees. The ASTM procedures, based on due process, ensure that the standards produced are technically sound and rest on a solid legal foundation with appropriate concern for legal issues such as restraint of trade and volunteer liability.

Reasons why industries utilize the ASTM system to organize new activities include:

1. ASTM provides a management system that can address any area where the need for standards or related information exists. ASTM encourages and facilitates strong liaisons with additional standards organizations to avoid duplication of effort.
2. ASTM core competencies include timely and relevant consensus standards development, maintenance, and global distribution.
3. ASTM is a proven system that has produced more than 12,000 standards that are widely used in a global environment. These standards provide the necessary certainty in contractual agreements, regulatory initiatives, and industry self-regulation programs.
4. A full-time professional staff operating from ASTM's International Headquarters in West Conshohocken, PA provides administrative and management support to assist the ASTM membership in their standards development objectives.
5. The ASTM system provides a neutral umbrella under which all interested parties voluntarily participate in the development of standards critical to the success of their industry.

## 5. BACKGROUND ON REQUEST FOR ACTIVITY

### ASTM Organizational Process

When ASTM receives a request for a new activity, the official organizational process begins. ASTM staff contacts a series of individuals, companies, and organizations involved in the field to assess the level of interest and the need for the proposed activity. In 2006, ASTM International was contacted by representatives of the National Association of Home Inspectors (NAHI) with a request to discuss the development of full-consensus standards for residential home inspection within the existing ASTM International Committee E50 on Environmental Assessment, Risk Management, and Corrective Action. After consideration of the request, Committee E50 declined to pursue the initiative, as their existing title and scope of work was inconsistent with the objectives of the activity in question. Late in the 3<sup>rd</sup> Quarter of 2006, ASTM received an invitation to meet with the NAHI Board of Directors and conduct a planning session to further evaluate the merits of this activity within ASTM as an independent committee. ASTM met with the NAHI Board on September 10, 2006, and on October 5, 2006, ASTM received a letter from the NAHI President formally requesting that ASTM move to the organizational stage of its new activity development process. Based on that request, an initial organizational meeting was scheduled for February 19, 2007 in Las Vegas. Various disciplines, including consumers, service providers, trade and professional societies, and federal agencies were contacted and invited to participate.

### DISCUSSION FROM THE FLOOR

Extensive discussion from the floor focused on the three areas below. Specific information appears beneath each topic.

- Existing Information

A comprehensive review of the existing work product (standards & non-standards) will be one of the early agenda items for this new activity as the date of the final organizational meeting approaches. An understanding of the nature of what's 'out there' will serve to enhance the productivity of the activity regarding the elimination of duplication of effort scenarios. Relative to existing ASTM committee activity, a notice will be sent to all ASTM committees (via their Executive Subcommittees) announcing the organization of the activity, as well as its title, scope, & structure. The notice will also offer each committee the opportunity to inform the new activity of any related standardization activity currently underway.

- Liaison Work

Establishing liaison relationships with related industry sectors, associations, consortia, & standards developers is critical to the effective and efficient development of this activity. The new committee (when and if organized) will, in its bylaws, address this issue in a very specific manner, and may establish official liaison representatives to be appointed at the discretion of the Executive Subcommittee.

- Process for the Utilization of Existing Documents

In the event that existing ASTM standards (developed by other ASTM committees) are proven to be likely templates for new documents, it is possible (given an appropriate degree of communication with the parent committee) for portions of those documents to comprise the basis for newly developed standards. In the event that standards (or related information) developed by external organizations can serve the same purpose, no such activity can take place without discussion with and consent by the holder of the copyrighted information. Of course, adoption and/or incorporation of existing industry work product can also be accomplished by reference (of designation and title) within any new ASTM standard(s).

#### FEEDBACK FROM STAKEHOLDERS

A lengthy discussion on this topic produced a series of statements offered on behalf of organizations and (in some cases) individuals. To follow is a summary of the feedback provided, intended to capture the essence of the discussion; it is not intended to serve as a verbatim transcription.

**National Association of Home Inspectors (J.R. Burke, Director of Government Affairs):** At present, the playing field across the home inspection industry is not level; discussion of developing a national standard is a step in the right direction. The NAHI Board has endorsed the ASTM organizational process, which it (NAHI) hopes could lead to the development of continuity for an industry that is presently fractured. NAHI's focus is on the issues of consumer protection and the current state of home inspection legislation. Homogenization (from a legislative perspective) is presently underway, but in a fashion that is evolving state by state. The evolution of the home inspection industry is inevitable. The development of a national series of standards will help support this evolution.

**American Society of Home Inspectors (Frank Lesh, President):** ASHI is the oldest association operating in the home inspection industry (profession), and its standards of practice have been in place for the longest amount of time. ASHI disapproves of the venue of this meeting (in that it was co-located with the annual NAHI conference), and with the late notice of the meeting provided to ASHI, its Board, and its chapters. ASTM is relevant in certain areas (steel, petroleum, etc.), but not in the home inspection sector. The fact that (at present) there are a series of competing standards of practice developed by a variety of industry associations is a good thing; the opportunity for the user to choose the standard (and the organization) that best meets their needs is extremely important. An arms-length distance should be retained

(among the association and standards development population) at all times. Uniting this effort under ASTM is not in the best interest of the collective industry.

**National Association of Certified Home Inspectors (Nick Gromicko, Founder):** While NACHI believes the concept of a standard detailing a code of ethics for the home inspector would be a good idea, in general, NACHI is opposed to the development of any standards that would focus on the practical application of the inspection service. NACHI is opposed to 'recreating the wheel' and believes that the longevity of the ASHI standards should play a paramount role in this area.

**American Home Inspectors Association (Tom Knapp, Win Home Inspection):** AHIA focuses on the franchise component of the home inspection industry, and is in a unique position to speak the diversity present at the organizational meeting. The distinction between 'industry' and 'profession' relative to home inspection is irrelevant; what is relevant (and of supreme importance) is the education of the consumer. The home inspection industry works very hard at staying isolated, and while the home inspector is a critical part of the transaction involving the (potential) sale of a home, they (the inspector) are under-appreciated as well as under-paid. The development of a national standard (via ASTM) would set a bar for all to shoot for that would ultimately minimize the liability of the inspectors; the standard(s) would provide justification for the actions taken by the inspector. Finally, outperforming the standards would serve as a point of distinction among the various and different representatives within the home inspection industry.

**National Center for Healthy Housing (Dave Jacobs):** The 1<sup>st</sup> standards for the housing industry were driven by health concerns. Consequently, the health aspects associated with home inspection are critical. The NCHH is working in conjunction with the Centers for Disease Control and Prevention (CDC) to develop an inspection protocol for healthy housing - any advice relative to this protocol would be appreciated. The development of science-based standards in this area would be viewed by the NCHH as a positive step. NOTE: the PowerPoint presentation provided by Mr. Jacobs is available upon request.

**California Real Estate Inspection Association (President):** CREIA disapproves of the venue of this meeting (in that it was co-located with the annual NAHI conference), and with the late notice of the meeting provided to CREIA. Any effort to develop additional standards for home inspection services would result in the 'watering down' of the existing standards of practice. CREIA is not in favor of proceeding with this activity.

**Kaplan-ITA (Mike Casey, VP/General Manager):** ASTM's organizational meeting is a wake-up call and careful thought needs to be applied to the evolution of this activity and to the home inspection industry/profession as well. An opportunity for the collective industry to work together is a step in the right direction.

**National Academy of Building Inspection Engineers (Russell Strahan):** The ultimate protection of the consumer is by efficient and honest operation of each inspector's business. It appears that any differences among the various collection of industry standards of practice are of a philosophical nature, and do not tread into the realm of technical distinctions. The moderation of these differences is difficult, but not impossible. The current state of the home inspection industry can be viewed as a boat with 30 rudders; this presents significant challenge in our attempt to steer our boat. ASTM can provide a good opportunity to create a single rudder, which would be beneficial to the entire industry.

**American Institute of Inspectors (Byron Duerksen, President):** The current standards of practice developed by the different industry associations are similar. Standards represent important tools and have value in court. There is a concern that input from outside sources

(legal community, builders, real estate community, etc.) would be detrimental to the standards currently in place, as well as the development of any new standards - the interests of these entities are contrary to those of the home inspector. Specifically, the real estate industry doesn't want inspections to take place at all. An opportunity for the home inspection community to work together is laudable, but it shouldn't take place within ASTM.

**Bill Ball:** Working together (as an industry) is a challenge that should be embraced; any focus on the development of protocols for new home inspectors is positive.

**Utah Coalition of Home Inspectors:** There is no need for national standards. The determination of what specific code of ethics to be used is difficult and confusing. The ASTM process is a bit confusing and additional explanation of its nuances would be appreciated.

**Brion Grant (ASHI Past President):** ASHI and the State of Arizona should work together outside of ASTM.

**Coalition of California Building Inspectors (George Harper):** The timing of this meeting is poor and any vote taken today on this subject would not be in the best interest of the industry.

**Arizona Home Inspectors Coalition:** The AHIC disapproves of the lack of notice of the meeting. Additionally, the venue has created an environment where undue influence could be brought to bear, and this is unprofessional. There is a concern in regard to the possible size of any new standards (too large & possibly unwieldy), and the issue of licensing fees (charged by ASTM) for distribution of the new standards is also problematic. This situation isn't broken; it doesn't need to be fixed.

**Randy West, Professional Building Consultants:** Now is not the time for change within the home inspection industry; attempts to force change would be detrimental.

**Marvin Goldstein, Building Inspection Services, Inc.:** If ASTM creates standards that lead to a uniform inspection report, the resulting work product will be more favorable to the real estate industry than the home inspector. Additionally, the individual inspector will become commoditized and the fees they are able to charge will reduce. The home inspection industry should take this opportunity to work together, but certainly outside of the ASTM process.

**Building Specs, Inc. (Todd Stevens, President/CEO):** All standards of practice are minimum requirements. A standard that would get all of the industry associations on the same page would be preferable. This would allow the associations to focus on inspiring and enhancing the relevance of their respective memberships, instead of arguing over whose standards of practice are superior. All of the existing standards of practice are self-generated; in court, they get run over. Standards developed with ASTM would reduce the liability of the inspector and/or the inspecting organization performing the service.

**Holmes Inspection Company (Dan Bowers):** Provides training for NAHI, ASHI, and NACHI and is surprised that the general public trusts anyone. There are good inspectors and bad inspectors in every group, but the associations spend far too much time 'beating each other up' instead of focusing on the industry as a collective entity.

**NAHI Florida Chapter (Jim Nolan):** ASTM simply represents a different process to understand and master. It is absolutely premature to vote this activity down at this point. ASTM represents a significant opportunity for the home inspection industry; one that should not be wasted.

**Pillar to Post, Inc. (Trevor Welby-Solomon):** The discussion at this meeting represents many of the same fears that were expressed in Canada years ago. It is extremely difficult to mitigate

risk (which is everyone's goal) when the home inspection industry is as fractured as it is today. Uncertainty in court is a way of life. The ASTM process provides substance and support in this area. It is viewed as a positive from a legislative perspective, and could help to eliminate (or at least reduce) the splintered nature of the industry.

**Mike Goewey (NAHI BoD, Michigan Association of Home Inspectors):** State legislative entities do not want to hear from industry associations individually; they would prefer a unified front.

**Pillar to Post, Inc. (Cort Bacon):** It is clear that possible outside influences are relevant, but the opportunity to be heard now (today) is significant.

**California Real Estate Inspection Association (Chris Lowe):** What would happen if the process (or the standards we end up developing) ever got away from us? Might we be held to a series of standards that no longer reflect the basic needs of our industry, and more importantly, our customers?

**Thomas Myers:** Home inspectors in Illinois dropped for 3400 to 2400 in one year. The industry standards of practice should be better defined than they are at present.

**Florida Association of Building Inspectors:** The proper certification of home inspectors is extremely important. The use of ASTM E2018 (Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process) has generated conflict in certain areas.

**Benjamin Meredith (Building Specs, Inc.):** Too much time is spent on the phone with clients answering questions about the differences between NAHI and ASHI. A single, nationally relevant standard has merit.

**Keith Swift Inspections (Keith Swift):** Avoiding litigation is of paramount importance. Unfortunately, the current industry standards of practice are worthless in court. National standards are not the solution to this problem.

**California Real Estate Inspection Association (Mike Foshear):** Once a state assumes control over something, the individual loses control.

## 6. VOTE TO CONTINUE/ABANDON THE ASTM ORGANIZATIONAL PROCESS

Following extensive discussion, a vote was taken of the meeting attendees. The vote was to determine the future of this activity within ASTM International. A vote of 'yes' would support the notion that the activity (standards development for the home inspection industry) had merit, and that one additional ASTM organizational meeting should take place (at a neutral venue) at some point in the near future (3-6 months). This final meeting would be open to all stakeholders, and every effort would be made to contact and invite many of the stakeholders that were unable to attend the meeting today. A vote of 'no' would support the notion that additional standards development is not necessary, thus ending the ASTM organizational process for this activity today.

The vote was taken (via show of hands) and the following results were announced:

54 meeting attendees voted 'yes' in support of continuing the ASTM organizational process.  
32 meeting attendees voted 'no' in support of ending the ASTM organizational process.

As the majority of the meeting attendees were in favor of proceeding to a final organizational meeting on this topic, the process will continue.

NOTE: the minutes reflect that the meeting attendees were in a state of flux for most of the day, meaning that several attendees were moving in and out of the room during the course of the meeting. As it was impossible to determine the duration of any individual attendee's stay, the decision was made to allow all participants in the room at the time of the vote the opportunity to register their opinion (vote) on the subject.

7. ADDITIONAL STEPS: MOVING FORWARD

- ❑ ASTM will work with staff and members of NAHI, ASHI, NACHI, and any other interested party to develop a list of individuals and organizations to be contacted about the final organizational meeting. ASTM will conduct a series of outreach sessions (live, phone, and virtual, if necessary) to gather intelligence in advance of the final meeting.
- ❑ ASTM will consult with staff of NAHI, ASHI, NACHI to gather feedback regarding the most appropriate venue and date for the final organizational meeting. Once the venue and date are established, ASTM will work with all interested parties (individuals and organizations both private and public) to disseminate this information as broadly as possible.
- ❑ ASTM will (via its Washington Office) reach out to the US Department of Housing and Urban Development to discuss their relevance to this activity.

8. ADJOURNMENT

The meeting adjourned at 4:17 p.m.