

: YOU & YOUR : BUSINESS :

NACHI In Compliance with the PA Home Inspection Act

by Nick Gromicko, Founder & Director of NACHI

In the June 2007 edition of LCAR's *Closing Comments*, an article was published entitled *Home Inspector Associations and PA Law (Act 114)*, by Matt Steger. This article contained many inaccuracies concerning the National Association of Certified Home Inspectors (NACHI); and, as a result, LCAR agreed to give NACHI equal space to respond to the prior article. Mr. Steger's article has had a direct economic impact on NACHI members in Pennsylvania, and NACHI would like to set the record straight.

Mr. Steger urged consumers and real estate agents to verify a home inspector's membership in NAHI, ASHI or AII. If the home inspector is not a member of one of these three organizations, he pointedly states, "... buyer and agent beware (to put it nicely)!" He goes on to state, "If your inspector is not a member of NAHI, ASHI or AII, he is in violation of PA Law, according to the PHIC."

PHIC stands for Pennsylvania Home Inspectors Coalition, and it was formed and run by a group of inspectors primarily affiliated with NAHI and ASHI. PHIC is NOT a government agency and has no legal authority to determine whether any home inspection organization is or is not in compliance with Pennsylvania law. In fact, a lawsuit PHIC filed against NACHI in Chester County, Pennsylvania was dismissed. In an Order dated June 13, 2005, the Court stated, "Finally, there is no indication that Plaintiffs are authorized to enforce the Home Inspection Law . . ." (Case No. 03-07803).

NACHI is the *largest* home inspection association in the nation, and it values its members and enjoys an upstanding reputation with the real estate community throughout the country. In order to maintain its successful relationship with the Pennsylvania real estate community, NACHI believes it is necessary to reassure Pennsylvania real estate agents and residents that NACHI is fully compliant with the Home Inspection Law.

Those of you reading this article are familiar with the requirements of the Act that went into effect in December 2001. NACHI is compliant and has always been compliant with each and every one of those requirements.

The Act defines a National Home Inspector Association as any national association of home inspectors that operates on a not-for-profit basis, is not a franchise and has members

in more than 10 states. NACHI is a non-profit corporation incorporated under the laws of the state of Colorado and has approximately 10,000 members in all 50 states. It is recognized by the Internal Revenue Service as a tax-exempt 501(c)(6) trade association.

The Act requires that a person must perform or participate in the performance of more than 100 fee-paid home inspections before becoming a full member; NACHI has the same requirements for full membership status. The Act requires that members pass a recognized or accredited examination. NACHI's exam has the reputation of being the most intensive and thorough examination in the industry. It is an online inspector examination and individuals must pass the exam with a score of 80 or better. In addition to this exam, members are also required to take NACHI's Ethics Obstacle Course and NACHI's Standard of Practice Quiz.

The Act requires that inspectors comply with a code of conduct and attend continuing professional education classes. NACHI goes beyond that; members are required to take 24 hours per year of continuing education courses. NACHI offers its membership numerous continuing education classes, various levels of membership and countless benefits—all of which benefits the consumer by providing the industry with honest and some of the best educated inspectors in the industry. You may view NACHI's membership requirements, code of conduct and continuing education requirements at www.nachi.org.

The Act requires that inspectors carry Errors and Omission (E&O) Insurance, and NACHI members in Pennsylvania must carry this type of insurance. If you are uncertain, ask the individual inspector for proof of insurance. Finally, if you have any questions as to whether a NACHI home inspector you are thinking of using meets the requirements of Pennsylvania law, do not rely on PHIC; instead, call the Attorney General of Pennsylvania's Consumer Protection Unit at 800-441-2555.

NACHI exists because of you, the Realtors® and the consumers. Its mission statement is to provide the homeowner and buyer with peace of mind and quality work. Currently there is a bill pending before the Pennsylvania legislature requiring licensing of home inspectors. NACHI

(continues on page 11)

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September 13th Annual LCAR Golf Outing

Congratulations to the following participants in the LCAR Golf Outing held September 13th at Crossgates:

First Place Foursome

Wayne Angelo, Greg Millen, John Sebelist, Don Davis

First Place Mixed Foursome

Jim Englert, Julie Englert, Tom Garvey, Lou Ann Garvey

Second Place Foursome

Steve Johnson, Ed Bender, Mark Carr, Marty Sowa

Second Place Mixed Foursome

Claudia Forrey, Don Forrey, Greg Hostetter, Carol Lehman

Straightest Drive #11

Pete Horn

Closest to the Pin #3

Bill Allison

Closest to the Pin #17

Don Forrey

Longest Drive Male

John Sebelist

Longest Drive Female

Jourdan Brill

Pink Lady Most Honest Score

Jim Hulihan, Dona Hulihan
Paul Jankowski, Kelly Jankowski

Pink Lady Low Score Team

Jim Englert, Julie Englert,
Tom Garvey, Lou Ann Garvey

Thank you to all the golfers who bought mulligans, participated in the 50/50 and took a chance on the "Hitting The Green" contest . . . your generosity raised \$1,520 for Transitional Living Center!

Thank you to the following hole sponsors at the 2007 LCAR Golf Outing:

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Penn Transfer, LLC
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Real Estate Book of Lancaster
Rhoads Energy Corporation
Sovereign Bank
UGI
Wells Fargo Home Mortgage

Thank you, also, to **Market Street Mortgage** for sponsoring the cooler bag centerpieces at dinner.

NACHI In Compliance *(continued from page 10)*

supports this measure. Hopefully, licensing will put an end to these attacks on NACHI and create a common ground for all inspectors, allowing each to stand on their own reputation for quality performance.

I hope I have set the record straight. NACHI has and will vigorously defend its reputation. NACHI's national counsel and Pennsylvania counsel have both opined that NACHI is in full compliance with Pennsylvania law. If you have received any oral, written or electronic communications from anyone stating or suggesting that NACHI is not compliant with Pennsylvania law, PLEASE forward those to our counsel—Mark Cohen, Cohen Horner, LLP, ATTN: PA Litigation, 1942 Broadway, Suite 314, Boulder, CO 80302. You can also e-mail any such documents to him at mark@cohenhorner.com.