

Home Inspection Advisory Committee

Minutes of December 11, 2001

Public Session

CALL TO ORDER

The meeting of the Home Inspection Advisory Committee was called to order by Chairman Robert Corrado at 9:00am in the Union Conference Room, 3rd Floor, 124 Halsey Street, Newark, New Jersey. All parties were duly notified of the time, date and place and all pertinent material had been provided.

SUNSHINE LAW ANNOUNCEMENT

William Mandeville, Program Development Assistant, read the statement required by Chapter 231, Laws of 1975 known as the Open Public Meetings Act, and announced that notice of the meeting was prepared in the Office of the Committee and mailed to the Secretary of State, the Star Ledger, the Courier Post, the Bergen Record and the Atlantic City Press.

ROLL CALL

CMs present:

Robert Corrado
Michael Fitzpatrick
Thomas Kraeutler
Randy Ortiz

Others present: Arthur Russo, Executive Director, William Mandeville, Program Development Assistant, Joseph Grabowy, Auditor/Accountant Assistant, Ernest Gonzalez, Senior Clerk Transcriber, DAG Michelle Albertson, and 4 members of the public.

APPROVAL OF MINUTES

November 13, 2001

On a motion by CM Ortiz, seconded by CM Fitzpatrick, the Committee unanimously voted to approve the minutes of the November 13, 2001 meeting as amended.

REPORT OF THE EXECUTIVE DIRECTOR

General Report

No Report.

Outgoing Correspondence

Michael Del Greco, President/ Accurate Inspections, Inc.

RE: Conflict of Interest (November 14, 2001)

This response to Mr. DelGreco indicates that the Committee is looking into the practice of certain real estate companies contracting with home inspectors to provide home inspection services for their clients. In exchange for being placed on a preferred home inspector list by the real estate company, the home inspector indemnifies that real estate agency for any damages that may arise from the home inspection.

The Committee expressed its concerns that this contractual relationship between real estate companies and home inspectors would prevent a home inspector from performing an unbiased and independent inspection. It further stated that such practices may be a violation of the Committee's rules and regulations.

After reviewing the indemnification clause in a marketing agreement between Weichert Realtors and a home inspector, DAG Albertson advised that use of indemnification clauses is not per se illegal in New Jersey. However, this particular indemnification clause could be in conflict with the Committee's prohibited practices section, specifically inducements/awards, of its regulations. The primary issue raised is whether this practice is an inducement to get a referral for a home inspection.

DAG Albertson will contact a Deputy Attorney General within the Real Estate Commission for their opinion on this practice and will brief incoming DAG Bradford to lead further discussions on this matter.

Gloria A. Decker, Executive Director/ New Jersey Real Estate Commission

The Committee reviewed a draft correspondence, but tabled the matter pending further information and discussion.

Incoming Correspondence

Noel Zak, CAE, Executive Director/ Examination Board of Professional Home Inspectors RE: Assistance in Finding Subject Matter Experts to Assist in Item Writing and Test Assembly Workshops for the National Home Inspector Examination (November 2, 2001)

In his correspondence, Ms. Zak advised the Committee of the need for subject matter experts to develop new questions for use on the National Home Inspector Examination.

Upon review of this information, the Committee noted this item for the record.

Noel Zak, CAE, Executive Director/ Examination Board of Professional Home Inspectors RE: Changes to the National Home Inspector Examination (December 10, 2001)

Ms. Zak notified the Committee that there were a few minor changes involving the format of the November 2001 National Home Inspector Examination.

The Committee noted this correspondence for the record.

AMERICAN SOCIETY OF HOME INSPECTORS (ASHI) ANNUAL CONFERENCE

ASHI's annual convention will be held in New Orleans, Louisiana on January 14-18, 2002. Representing the Committee at this convention will be Robert Corrado, Committee Chairman, Thomas Kraeutler, Vice Chairman, Arthur Russo, Executive Director and Joseph Grabowy, Auditor/ Accounting Assistant.

ARTICLE OF INTEREST

"Household Mold Lawsuits are Spreading Through the Courts"

by: The Star Ledger

This article indicating the increasing number of lawsuits regarding household mold was noted for the record.

This item will be placed on the January 8, 2002 agenda for further discussion.

APPEARANCE BY VICTOR MORELLA, ACTING BUREAU MANAGER/ NEW JERSEY DEPARTMENT OF EDUCATION

Victor Morella, Acting Bureau Manager, of the New Jersey Department of Education, appeared before the Committee to discuss the implementation of the home inspector curriculum. Ms. Loretta Keimel, Adult Education Supervisor of the Middlesex County Vocational School District also appeared with Mr. Morella.

Mr. Morella informed the Committee that the home inspector course will be ready to start in February 2002. The curriculum will be comprised of ten (10) thirty (30) hour modules for a total of 300 hours. For the part-time session each module will be held 2 nights per week for 3 weeks plus 1 Saturday. The curriculum will run for a minimum duration of 30 weeks without any interruptions. A mandatory attendance rate of 90% (270 hours of the 300 hour curriculum) will be required. This is greater than the 250 hours detailed in the proposed regulations. Promotional brochures are currently being produced by the four vocational schools involved to publicize the new home inspector curriculum. Once available the DOE will send copies of the brochures to William Mandeville.

The preliminary cost for the home inspection curriculum will range between \$5,000.00 and \$5,500.00, inclusive of books/materials. Tuition will be approximately \$3,000.00 and instructional materials will range between \$2,000.00 and \$2,500.00. Books for each of the ten modules would range between \$200.00 and \$250.00.

In order to have a sufficient number of homes for students to inspect, Mr. Morella asked for the Committee's assistance in obtaining homes to serve as potential inspection sites. CM Kraeutler proposed that the curriculum be adjusted to allow students to inspect 5 houses rather than 15. He cited the difficulties involved with finding 15 homes to inspect. The Committee stated that some potential sources of homes would be from HUD and repossessed FHA homes. Both the Committee and Mr. Morella agreed to contact these agencies as possible sources of clinical sites.

In addition, Mr. Morella asked for the Committee's assistance in finding qualified instructors. He stated that a budget deficit has restricted the stipend amount originally stated for potential instructors. However, the New Jersey Board of Education has allocated \$1,600.00 to be used for materials for all four vocational schools.

Loretta Keimel informed the Committee that recruitment of future students will be accomplished through various medium (Website, news paper announcements and Board of Education newsletters). ED Russo stated that the database contained within the Committee office will be used to inform perspective home inspectors of the locations of the 4 vocational schools offering the home inspector curriculum and the respective contact person for each school.

Also, the Committee expressed its concern with the "test-out option" for the home inspector curriculum. This option would allow an individual who has had previous experience and/or certification/licensure in a specific discipline to test out of a module. The Committee contended that any student, regardless of their expertise or level of education in a certain discipline, can always learn something new and recommended they take all modules. The appropriate prerequisites and process for determining who can test out, if approved, needs to be later developed. Overall, the Committee agreed to postpone offering any test-out option with the initial February 2002 class.

For security purposes CM Krautler noted that the final home inspector examination developed by Carson Dunlap is not in the back of the school's instructional manuals. The DOE will investigate if numerous versions of the final examinations are currently available or of their availability in the future.

Finally, Vic Morella presented a draft letter setting forth items to be placed in a Memorandum of Understanding (MOU) to the Committee. The letter elaborated on the length and format of the home inspector course, identified the 4 approved course providers, and stipulated that 5 home inspections are required at the conclusion of the curriculum. The Committee requested that two additional items be added. First, that a 90% attendance rate be required for successful completion of the curriculum, and secondly, that the test out option be waived for the first class starting in February 2002. On a motion by CM Fitzpatrick, seconded by CM Ortiz, the Committee approved the revised letter and agreed that Vic Morella would follow up with the Committee and provide it with a letter containing the 2 additional items noted above.

LETTER FROM SHING-FU HSUEH, Ph.D., P.E., P.P. NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

Mr. Hsueh's letter to the Committee concerns his suggested changes to the proposed home inspector regulations to include the testing of private potable wells. They include: (1) inspection of a water treatment unit on a potable well system to determine the type of unit installed and its working condition; (2) the collection of a water sample from the potable well, and (3) the location of the well using a Global Positioning System (GPS).

A draft Committee response to Mr. Hsueh will first be forwarded to Deputy Director Miragliotta for review. The letter will take the position that the inspection and testing of private potable wells falls outside the current scope of practice of a home inspector. However, a home inspector may perform this service as an ancillary offering as long as he/she is qualified by another agency to do so.

This item will be placed on the Board of Professional Engineers and Land Surveyors agenda for their consideration.

DEPARTURE OF DAG MICHELLE ALBERTSON

Committee members, Executive Director and the Committee Staff thanked DAG Albertson for her dedication and tireless efforts in assuming and responding to the Committee's obligations and responsibilities. She handled all the Committee's concerns in a very professional and expeditious manner. The Committee extended their warmest wishes and wished her continued success in all future endeavors.

MOVE TO EXECUTIVE SESSION

On a motion by VC Kraeutler, seconded by CM Fitzpatrick, the Committee unanimously voted to enter into Executive Session for the purpose of reviewing the Executive Session minutes.

RETURN TO PUBLIC SESSION

On a motion made in Executive Session, the Committee returned to Public Session for the purpose of adjourning.

ADJOURNMENT

On a motion by CM Fitzpatrick, seconded by CM Kraeutler Fitzpatrick, the Committee unanimously voted to

adjourn at 2:00pm.

APPROVED BY:

Robert Corrado
Chairman

Arthur Russo
Executive Director

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Posted March 2002