

The NC-ASHI® Home Inspector

NORTH CAROLINA CHAPTER OF THE
AMERICAN SOCIETY OF HOME INSPECTORS

February/March 2009

PRESIDENT'S CORNER by John Guy

First of all, I would like to encourage everyone to "stay the course" as I'm confident the real estate market will improve. In fact, I see NC as a "mecca" for those escaping the cold weather, high taxes, high real estate prices and poor business climates in other areas of the country for many years to come.

Second, I strongly encourage all members to attend the ICC Code Class in March. In this increasingly competitive market, yet another credential will demonstrate that you are a serious player in the business and further justify your pricing structure. The Board realizes times are difficult and we have "pulled out all the stops" to make this an affordable seminar.

The board has solicited help from ASHI® via the ASHI® Chapter Consulting Program (see this month's [ASHI® Reporter](#)), designed to assist local chapters. Pending this visit (TBD) we are postponing the mandatory report review discussed previously. As you may recall, the report review is to determine whether your reports meet our Standards of Practice. However, we are encouraging everyone to participate in this valuable chapter benefit on a voluntary basis. Our reviewers are Andy Hilton, Bill Dillon, Larry Ross, Ron Hough, Jeff Payne and Fred Herndon. Please feel free to contact the reviewer of your choice.

If you have any suggestions or speakers for meetings please let me know. I also welcome any feedback on improving the Chapter for our members.

UPCOMING TRAINING by John Guy

Our February meeting we will have John Hoff with the Tax Reduction Institute. His 30-minute mini-seminar is an actual sneak preview of their nationally acclaimed seminar. It will contain highlights on tax reform and valuable **tax strategies we can use to increase our business deductions and lower our taxes.** As the old saying goes, "It's not what you earn, it's what you keep that counts." Now is the time to learn and implement new tax-saving strategies for 2009.

The agenda includes:

- * How the **New Tax Laws** affect you.
- * Getting the most out of your **automobile deductions.**
- * Maximizing your **entertainment deductions.**
- * Using business meetings to deduct **vacation expenses.**
- * Avoiding **IRS Audits** by recognizing **red flags.**
- * The **home office deduction:** the misunderstood key to **saving \$2,000/yr.**
- * **Helping your accountant help you!**

FYI, the complete seminar will be held in Raleigh on March 12th at a discounted price of \$369.

There will be no regular, Asheboro, NC-ASHI® meeting in March due to the ICC Code Class March 17-19 in Winston-Salem at Truliant Federal Credit Union. The class will be designed to prepare us to sit for the ICC exam(s) and will be taught by Douglas Hansen and Peter Drenan of Code Check. It will cover Building, Plumbing, Electrical and Mechanical. The class will be \$375 (\$350 with early bird discount by 2/28). Don't miss this terrific opportunity to increase your inspection knowledge and credentials! Look for a registration form soon on the [NCASHI.com](#) website.

SUMMARY OF FALL CONFERENCE by Charles Hamlin

We've chalked up another superb NC-ASHI® Fall Conference. This event was hosted by Peter Drenan of Code Check. Peter has conducted previous educational sessions for NC-ASHI®.

Peter is an excellent speaker and pulls examples from his own years of experience in the profession. All attendees had a very informative and enjoyable experience during this conference. Our own Tom Edwards did a great job with the mandatory course presentation.

This is another example of the high-quality educational opportunities available to all ASHI® members as well as any others who wish to participate. We all look forward to the upcoming ICC Code Class to be taught by Peter Drenan and Doug Hansen.

CHAPTER HAPPENINGS by Andy Hilton

Your Board of Directors is busy planning the 2009 calendar year. If anyone has ideas for educational topics for Chapter meetings please contact a Board member to let them know what YOU would like to hear about.

The first big event we have planned is the International Code Council class scheduled for March 17th, 18th, & 19th in Winston-Salem (see President's Message for details). Chapter meetings are still going to take place the third Wednesday of each month. We'll try to keep the meeting location convenient for everyone.

There will be a committee formed to provide members an avenue to have their reports verified (voluntarily). This will help in identify any omissions in reports required by the NCHILB SOP's. As we all know if there is a complaint filed against a home inspector in this State the first step in the process by the investigator is to check the written report and inspection agreement for compliance with the General Statutes. Confidentiality during this process will be maintained to ensure your and your client's privacy. Committee members performing verification will be located in different locales around the State to prevent a conflict of interest by verifiers. Contact Andy Hilton 336.961.6809 or hiltonhome@yadtel.net if you're interested in volunteering as a verifier or you would like to have your written reports verified.

The Board has elected to re-instate the position of CORE Rep. for the Chapter. CORE Rep. acts a liaison for the Chapter to

ASHI National. Discussions are ongoing to finalize this position.

The Chapter web site is going to go through some changes as well. All members should check their information to ensure the accuracy their information on file. If any of your information needs correcting or updating contact Larry Conway at conwaylr@bellsouth.net.

2009 WSRAR Joint REALTOR®-Home Inspector Committee Report by Bill Dillon

The 2009 Winston-Salem Regional Association of REALTORS® Joint REALTOR®-Home Inspector Committee prepares to kick off a new year of good relationships, understanding, and education among REALTORS®, Home Inspectors, and Related Professionals when we hold our first meeting on February 17th. About 40 REALTORS®, Home Inspectors, and Radon Specialists comprise the group.

Co-Chairmen REALTOR® Josh Greer and Bill Dillon have put together an aggressive monthly schedule for 2009 that includes discussion of current and ongoing issues, guest speakers, newsletter articles, and two REALTOR® "Lunch and Learn" sessions.

We continue to be involved in the creation of Bruce Rudd's CE course on Home Inspections for REALTORS® which is scheduled for completion and approval as an accredited course with the NCAR/NC Board of REALTORS® by late spring or early summer. We began filming "good" and "bad" home inspection scenarios for the course in January. Several NC-ASHI members made their Hollywood debut in this training film!

New projects this year will include a slideshow that will be available continuously on the WSRAR website, showing pictures of frequently found and/or controversial defective conditions that show up on inspection reports. The photos will be accompanied with (a) written description of the defect, (b) why it is a defect, (c) how it could best be written on an inspection report. Repair recommendations will be offered by home inspectors, and REALTORS® will make comments as to the appropriateness of the defect when working through an "Offer to Purchase and Contract".

Our committee will continue to assist any other NC REALTOR® Association to form their own local Joint REALTOR® Home Inspector Committee, with an ongoing commitment for this outreach project from last year's WSRAR president, Julie Poplin, Allen Tate REALTORS®.

This year, as last, should prove to be an active one for the committee and the perfect forum for promoting better understanding, education, and better relationships between REALTORS®, Home Inspectors, and other industry related professionals.

Our meetings are open to all REALTORS®, home inspectors, and industry-related professionals. We meet every 3rd Tuesday, 1:00pm at the Winston-Salem Regional Association of REALTORS®, 195 Executive Park Blvd. in Winston-Salem. So if you want to see how the committee works, come to a meeting. For further information with regard to participating in this committee or starting a Joint REALTOR® - Home Inspector Committee in your area, contact Bill Dillon-336-924-6002 or dilloninspections@windstream.net.

News from the NC Home Inspector Licensure Board by Marion Peoples

The Board is moving forward with plans to implement mandatory pre-licensing education. An amendment to the Home Inspector Licensure Statute is being readied for legislative action in the newly convened legislature. As proposed, the new licensure requirements will do away with the associate inspector program and the automatic approval of licensed general contractors, engineers, and architects to sit for the exam.

Replacing the associate program will be a formal course of instruction, at first delivered by the community college system and later perhaps through private home inspection schools. The Board can require up to 200 hours of a combination of classroom instruction, online instruction, field work, and possibly peer review before persons can become licensed as a home inspector. Language in the new statute allows the Board the discretion to set the number of hours required for licensure and also gives the Board the leeway to grant entry to the profession for those who can demonstrate education and experience equivalent to the educational course requirements. General contractors, engineers, and architects can still take the exam for licensure, but must first demonstrate experience or education equivalent to the formal instruction. The bill would no longer allow someone to cram for the general contracting exam as an inexperienced new licensee and use that license to take immediately the home inspector exam.

The target date for implementation is Oct 1, 2011 and much work still needs to be done. The bill must pass the legislature and the outline of instruction still has to be filled with specific educational material.

The Board is also taking up the task of reconciling differences in powers and responsibilities that are shared between the Board and the Dept. of Insurance. I will share more on that topic at a later date.

The Board has hired a second part time complaint investigator. Grant Tew of Washington, NC is now on the job doing site investigations primarily in the eastern half of NC.

I remind all licensees to incorporate the new Summary disclaimer into their reports verbatim. Please don't take poetic license to re-write the disclaimer.

MEMBERSHIP UPDATE by Larry Conway

ASHI® Members or ASHI® Associates	54
*Affiliate Members	19
Total Chapter	73

*Affiliate members have joined the local chapter but do not currently belong to ASHI® national as Certified Members or Associates.

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***** TAX TIME HAS ARRIVED. THERE ARE TWO NEW tax-reducing items that may surprise you as you prepare your tax returns.

There is now an income-reducing credit for \$500 or \$1000 of real estate tax you paid during 2008, but did not list on 1040-Schedule A because you use the Standard Deduction instead of itemizing deductions (see 1040 line 39b)

The second is another chance at getting the 2008 Economic Stimulus payment...or getting more than you got because your family is bigger or your earnings in 2008 are different than 2007(see 1040, line 70).

The companies that deal with stocks, mutual funds, IRA's, etc. have until February 17th to report to you and the IRS about taxable events in your account (e.g. earned dividends, sales of assets). These taxable matters are reported on form 1099 and may surprise you if you filed your returns early. Any 1099-related information gets checked by the IRS for proper treatment by the taxpayer.

***** WOULD YOU LIKE TO GET MORE COPIES OF THE booklet Product and Design Failures? I have found this manual is useful as a promotion to real estate folks. I will be printing some for my personal use and can share the volume cost savings with you. Let me know by 02/15 if you want to order some. (jjwoodmansee@bellsouth.net).

The addendum that lists the elaborate references on which the Product and Design Failures is based will be posted on the NC-ASHI® web site soon. This addendum has the exact model and serial numbers of defective products. We have that kind of detail for some items in the Failures booklet (e.g. dishwashers), but not all.

***** SEVERAL COPIES OF OUR CHAPTER ASHI® Member list are enclosed for your use. Use them for someone needing referral to an ASHI® inspector in another city and with real estate people looking for ASHI® inspectors. If you need more, let me know.

When we as an ASHI® chapter go public with a member list, we must include only ASHI® Certified Members and ASHI® Associates (once called Candidates) with logo privileges on anything product with the ASHI® name or logo on it. Other ASHI® Associates and non-ASHI® members of our chapter cannot be listed because this would be misleading and would dilute the meaning of ASHI® membership. In preparing the flyer, we checked with ASHI® headquarters to be sure that we had included all members who have paid their dues as of Jan. 30th, 2009.

***** A YEAR AGO WE DID BATTLE WITH OUR OWN licensure Board and sustained our ethical right to include safety problems in our Report Summary. Were we just being overly fussy about these safety concerns that we find in homes? I don't think so. There are safety problems out there, and we home dwellers discount them because we get used to hazards and learn to live with dangerous conditions in our homes. I asked Brenda Breining to search for the statistics on injuries, and she found some important facts. Here are a few:

1. Motor vehicle accidents continue to be the leading cause of injury deaths, but **falls, whether at home or elsewhere, are the leading cause of non-fatal injuries.** Falls are the

leading mechanism of injury leading-to-death in people over age 72.

2. Of people over 65, one in three will have an injury by falling each year. Twenty to 30% of people who fall suffer moderate to severe injuries such as bruising, hip fractures or head trauma. These injuries can make it hard to get around and limit independent living. Many people who fall, even though not injured, develop a fear of falling which leads them to limit their activities, reducing mobility and physical fitness and, in the end, increasing risk for themselves by fearfulness.

3. Injury (not disease) is the leading cause of death in children and young adults. Falls are the leading cause of unintentional injury for children ages 1-14 (others are fire and burns, suffocation, drowning, firearms, choking and poisoning. For children 45% of unintentional injury deaths occur in and around home.

4. Drowning is the second leading cause of unintentional injury-related death among children ages 1-14. The majority of drownings or near-drownings occur in home swimming pools and in open water sites. Children can drown in as little as one inch of water.

5. Regardless of age, about one-half of all injury episodes occur around the home, either inside or outside, with injuries inside the home most prevalent...except for teenagers and young adults who are as likely to get hurt at home, at school, on the streets and at sports events. Leisure activities account for one-quarter of injuries for all age groups. On public playgrounds, kids get hurt most on climbing equipment. On home play equipment, swings are responsible for most child injuries.

***** CONGRATULATIONS TO FRED HERNDON WHO soon becomes the new President of the NC Licensed Home Inspector Association. I appreciate Fred's way of bridging between our two organizations, and hope that we will continue to support each other. Fred reminded us at our January 28th Chapter meeting that our two groups are working together to support the new licensing education requirement.

***** THANKS TO LARRY ROSS FOR FOCUSING OUR attention on that anxiety-arousing topic of risk management this past Wednesday, January 28th in Asheboro. He made a good case for arbitration, and the discussion raised all those questions about contract protection, the limited value of incorporation, the realities of E & O insurance, etc. It again was sobering to hear so many of our guys talk about their claims-loss experience.

Why Test for Carbon Monoxide? by John Woodmansee

Is carbon monoxide (CO) testing of gas and oil fueled appliances required in a home inspection? No. But a few home inspectors do measure CO production. CO is produced when fuel does not burn as completely as possible, and it is poisonous and sickening to us breathing creatures. It is called "the invisible killer" because it has no odor, color or taste. Healthy people can tolerate low levels of CO, but infants and folks with health and breathing problems are susceptible to even low levels like 10 ppm (parts/million). In the 1980's The American Society of Heating, Refrigeration and Air

Conditioning Engineers (ASHRAE) developed a standard for CO levels stating that continuous exposure indoors for an eight hour period should not exceed 9 ppm.

Home inspectors worry about any condition that might introduce CO into the indoor air and affect the humans and pets there. We do this by looking for conditions and equipment that would cause a build-up of CO.

CO production from a water heater, furnace, space heater, gas log heater, cooking range or pool heater shows how effectively the fuel is burning. If the CO level is high then something is wrong with (a) the combustion appliance, (b) the venting of exhaust gases, or (c) the supply of oxygen for proper combustion of the fuel. Here are some of the guidelines for this inspection work:

1. If the appliance is vented to the outside air (all furnaces, pool heaters & water heaters, and some gas log heaters), then there must be no exhaust spillage shortly after the venting system has established its drafting effect, sucking all the exhaust gases out of the house. Many appliances release some fuel odor and exhaust when they go through the first moments of their burn cycle, and this is acceptable.

2. CO levels of up to 100 ppm, measured in the flue gases, are acceptable for VENTED appliances. Often we will drill a small hole in the smoke pipe (called "vent connector") to measure the gases, then patch the hole with a plug or aluminum tape. Vented style gas logs in fireplaces can be measured with probe into the damper, and that damper should have a hold-open safety clamp installed to avert the damper being shut while the heater is burning.

3. Again, the rule for VENTED appliances is NO SPILLAGE of exhaust gases. Often we inspectors will set up a "worse case scenario" by closing all doors and windows, then turning on the furnace blower, kitchen range vent and clothes dryer to see if any of these air-sucking appliances will cause the combustion appliance to back-vent and spill exhaust into the house. This routine is especially important in the case of a water heater or furnace installed near a clothes dryer, and especially where these appliances are confined to a small room.

4. In the case of UNVENTED gas heaters (a) in a fireplace with damper sealed, (b) in a fake fireplace enclosure, or (c) a free-standing room heater, the rule is that the heater should not make the CO level rise above 9 ppm over a several hour period. Since we aren't around for hours to do such a test, we have to be creative. One thing for sure, if the heater does not spill gases with more than 9 ppm CO into the room, then indoor air will be less than 9 ppm as long as there is adequate air for combustion.

5. Gas cooking ranges are usually not vented to the outside air by a range hood. That's unfortunate. I advise folks to install a vented hood because it is best to exhaust out heat and odors from cooking.... and the combustion products of the range. Ovens are notorious for generating lots of CO, and should be tested in both BAKE and BROIL modes if there are separate burners for those modes. CO levels of 300-400 ppm are common, but something less than 100 ppm seems attainable in many ranges; and a technician may be able to "tune" the burners for cleaner burning. No matter how well-behaved the range is, it should never be used to heat the house. Why? The manufacturers have a crude standard for how much CO production is OK with a gas range. Their design assumption is that the range will be used for limited times, only as a cooking

appliance. Heating a house with a range puts the family at a high level of uncertain risk for CO poisoning.

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6. Home inspectors look for other signs of combustion problems: sooting around burners, corrosion of the smoke pipe, scorching marks from flame-rollout around burners, distortion of flames when the blower runs in a furnace, a soapy-like odor to the flue gases, etc. Skilled combustion technicians measure other things and often disassemble appliances. They look at draft pressure, temperature of the heated air, CO production over a long period, cracks in the heat exchanger, etc. That level of evaluation is beyond the home inspector's capability.

7. Why not simply recommend the use of inexpensive carbon monoxide detectors? The sad truth is that Underwriters Laboratory (UL) approval allows for a CO detector not to show a digital readout or signal trouble until the CO concentration is above 30 ppm. Then it must not "honk" until the concentration is above 70 ppm for as long as four hours. Thus, the UL approved detector that one buys in the store is woefully crude and may only alarm when people and pets are already getting sick from CO poisoning. That is not my idea of an honest safety monitor. I direct my clients to the website www.aeromedix.com where one can order the battery-powered, CO Experts monitor (\$140) which alarms at CO levels as low as 10 ppm. This is a resource where private pilots buy their safety equipment.

Featured Speaker for February---John Hoff from the Tax Reduction Institute.

For March---No NC-ASHI meeting in Asheboro due to ICC Code Class in Winston-Salem, March 17th-19th

Directions to Holiday Inn Express Asheboro: From US 220 Take US 64E. Hotel is 2 miles on left. From west, take US 64E. Hotel is 2 Miles on left past US 220. From east, take US 64W. Hotel is one traffic light past NC 42.

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